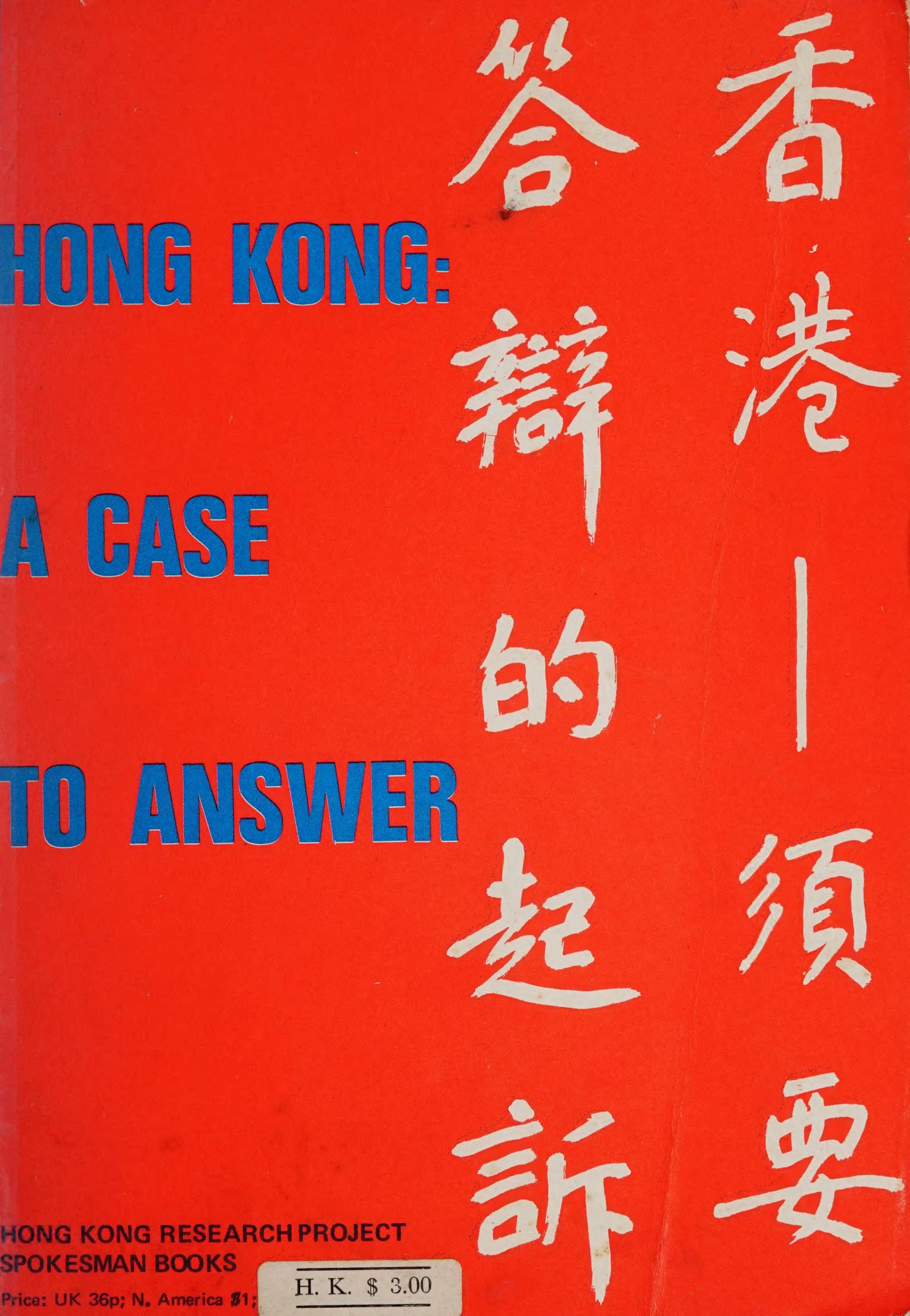

香港須要答辯的起訴
HONG KONG:
A CASE
TO ANSWER
HONG KONG RESEARCH PROJECT
SPOKESMAN BOOKS
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HONG KONG: A CASE TO ANSWER

香港—須要答辯的起訴

By a group at the
Hong Kong Research Project

HONG KONG RESEARCH PROJECT
SPOKESMAN BOOKS



Contents

Note: In accordance with East Asian practice, surnames are given first except in one case (Sir Man-Kam Lo).

Some Basic Statistics

(in Hong Kong dollars,* except where stated otherwise)

Area: 400 square miles (13.5% arable; 8.0% urban; 78.5% uncultivable)

Population: 4,159,000 (June 1973); annual average rate of increase: 2.3%; 98% of the population are Chinese

Gross Domestic Product 1972: $23,657 (preliminary estimate)
1973: $28,335 (forecast)

Inflation: in October 1973 the consumer price index stood at 185 (100= 1964), up from 144 in October 1972; the cost of living rose by 27.6% between February 1973 and February 1974 (unofficial estimate)

Foreign exchange reserves: (official): US$900 million (1973)
Bank deposits (January 1974): $26,959 million
Bank loans and advances (end 1973): $23,236 million (up 100% over 2 years)
Currency in circulation (January 1974): $4,146 million
Average monthly turnover on stock market (1973): $4,018.1 million
Average monthly imports (1973): $2,417 million
Main sources of imports (1973): China (21.4%), Japan (20.2%), USA (12.3%)
***Average monthly domestic exports* (1973): USA (35%), Britain (14.5%) W. Germany (9.8%), Japan (5.5%)
Workers employed in industry (September 1973): 619,237 (official)
Trade Unions: the Hong Kong Federation of Trade Unions, with 66 unions affiliated to it, has 126,408 members (1973); this Federation supports the People's Republic of China. A much smaller pro-Taiwan group, which is affiliated to the ICFTU, claims total membership of 36,005 (1973)

* *Rate of exchange* (end June 1974): HK$12.10 = £1 (British)
HK$5.05 = US$1.00

***Domestic exports* accounted for about 75% of total exports (the rest being re-exports).

[illegible]

[illegible]

[illegible] 1,059,802 [illegible]

[illegible]

[illegible] 1972: 878,253 [illegible]

[illegible]

[illegible]

[illegible] 1978 over 2 years [illegible]

[illegible] 54,901.4 million [illegible]

[illegible] (1970), 82,417 million

[illegible] China (33,447), Japan [illegible], USSR (22,[illegible])

[illegible] (1975), USA [illegible]

[illegible] Japan (3,532)

[illegible] September 1975 [illegible]

[illegible] Tokyo [illegible]

[illegible] (1977) [illegible]

[illegible] China [illegible]

[illegible]

[illegible]

[illegible]

HONG KONG: A CASE TO ANSWER

Introduction

Hong Kong is Britain's most important remaining colonial possession. Situated on the South coast of China, it has a population of about 4¼ million, 98 per cent of whom are Chinese, crammed into an area of only 400 square miles. With over 40 per cent of the active population engaged in manufacturing, the Colony ranks among the world's top 20 trading "nations".

In an age of general decolonization, Hong Kong stands out as a bastion of 19th century colonialism. Formally, it is ruled by a Governor, appointed by London. Informally, it is ruled by a small group of businessmen and bankers in alliance with the colonial administration. The colonial régime is not elective. The population

In Hong Kong there are:

80,000 triad gang members (1973 official estimate)
25,000 prostitutes (1973 unofficial estimate)
300,000 heroin addicts (1973 unofficial estimate)

If there were no overlap, this would be 10% of the total population (of which 46% is aged 1-19).

In Hong Kong:

- **Violent crime rose by 135% over the 4 years 1968-72 (murder, manslaughter, armed robbery, assault)**
- **Suicides rose by 90% in the 5 years 1969-74 to a rate of 17 per 100,000 (3rd highest in the world)**
- **In the New Territories, there is one doctor for every 20,000 persons; in 1973 there were only 238 hospital beds (including private beds) for ordinary patients in the New Territories (population in the 1971 census: 665,700).**
- **There is the worst hard drug problem in the world; and five times as many addicts proportionately as in Macau, a Portuguese colony with similar population, in the late 1960s.**

In Hong Kong there is:

- **The death penalty (banned in Britain)**
- **A ban on: All political parties**
  Trade unions affiliating with international organisations without special permission
  Trade unions establishing political funds for their members
- **A completely unelected legislature**
- **A regressive tax system**
- **Widespread corruption at all levels**
- **No right of free assembly and association**

lacks almost all basic democratic rights. The death penalty, banned in Britain for a decade, is still unrepealed in Hong Kong.[1] The Colony has by far the worst hard drug problem in the world, proportionate to population – and, furthermore, acts as a key centre in the world heroin trade.[2] Many of the most elementary measures to protect factory workers have been rejected by the colonial authorities. The social services and housing are abysmal. Yet Britain has not only failed to accept decolonization for Hong Kong, even in principle, it has done nothing even to suggest that it accepts decolonization. No moves have, apparently, been made to prepare the territory and its inhabitants for an end to colonial rule.

History

The territory now usually referred to as Hong Kong was seized from China in three separate stages in the nineteenth century. At the basis of the seizure lay Britain's main economic activity in the area – the opium trade. Prior to the acquisition of Hong Kong, British sales of opium to China were centred at Canton, the main port in South China, a short trip up the Pearl River from Macau, a colony of Portugal. In 1839 the Chinese government appointed a new Commissioner for the Suppression of Opium, Lin Tse-hsu, who proceeded to take energetic measures against the British opium merchants. Britain's refusal to close down the opium trade led to the first Opium War (1840-1842), and part of the price China was forced to pay for a settlement of this war was the cession of the island of Hong Kong in perpetuity to Britain (Treaty of Nanking, 1842).

British interests had been seeking just such an island base outside Chinese jurisdiction for some time. In 1839 41 British traders based on Canton petitioned Parliament in London to use force to effect a commercial treaty which would allow them greater opportunity to penetrate the China market. One possible step, they argued, would be "the acquisition of an insular possession near the coast of China".[3] At

this stage Hong Kong was only one of several suggested sites (among them Taiwan). Hong Kong was ultimately chosen because it was so close to Canton, and became in effect the British base during the Opium War. It was also an exceptionally good refuge during typhoons.

Since the central role of opium in Britain's general aggression against the people of China and in the seizure of Hong Kong specifically tends to be glossed over as some kind of picturesque irrelevancy, aberrant and short-lived (it is frequently alleged), it is perhaps worth insisting on it. Already by 1830 the export of opium to China from warehouses belonging to the East Company of India paid both for England's tea imports from China and for English cotton exports sold to India, as well as for a considerable part of the Indian administration. In 1830 the Auditor General of the East India Company stated flatly: "India does entirely depend on the profits of the China trade".[4] Suggestions that Britain was somehow officially against the opium trade are quite untenable. The opium business was crucial to the economy of British colonialism in Asia. Official participation in the Shanghai Opium Combine until 1917 and the fact that the opium trade in British Borneo, as in Hong Kong, was run by the colonial régime before the Second World War would indicate at least a lack of dynamism on London's part in eliminating traffic in this particular commodity.[5]

The small island acquired by Britain in 1842 was of little intrinsic value. But it was a good naval and trading base for lucrative operations and, above all, it was British-controlled. During the early years of British rule over Hong Kong, while the silk and tea trade remained at Canton, a Treaty Port (i.e. a port where non-Chinese were allowed to engage in certain commercial activities), Hong Kong attracted only limited business, mostly in the opium sector. In 1845 80 opium clippers unloaded in Hong Kong harbour where the greater security of the warehousing lowered insurance costs considerably.

The second part of the colony was acquired in 1860 after a British force under Lord Elgin had invaded Peking, looted the Forbidden City and burnt down the Summer Palace. At the time the Chinese central government, under the Manchu monarchy, was severely strained resisting a major revolutionary uprising, the Taiping Rebellion. The new area acquired by Britain was made up of the tip of the mainland opposite Hong Kong, Kowloon Peninsula and the main island adjacent to the peninsula, Stonecutters' Island. In spite of some ambiguity in the wording, it seems that Kowloon Peninsula and Stonecutters' Island were, like Hong Kong, ceded outright.

The third stage of the seizure came in the wake of the Sino-Japanese War of 1894-95. Japan's victory in the war helped accelerate a new scramble for concessions in China. Britain at this point secured a dominant position in the richest part of China, the Yangtze Valley, plus a 99-year lease on the hinterland of Kowloon in Sun On County of Kwangtung Province – the area now known as the New Territories. A number of surrounding islands were also acquired at the same time under the same terms. The lease on the New Territories expires in 1997, covering 366 of the Crown Colony's 400 square miles. Within the area leased in 1898 China technically retained sovereignty over one small enclave, the walled city of Kowloon.

Although Hong Kong got off to a shaky and unpromising start as a centre of imperial activity, by about the 1870s it had become a significant entrepot port with warehousing, shipping services and banking as its staple activities. Despite the virtual absence of manufacturing, by 1911, the year the Manchu dynasty fell, the population had reached almost half a million.

Throughout the period up to the Second World War Hong Kong remained of less importance to British economic activity in China than Shanghai in which, though not a colony, Britain had extraterritorial "rights". British investment in industry tended to go to Shanghai rather than Hong Kong. In Hong Kong a classic colonial régime mainly operated in order to ensure optimum conditions for free enterprise: this involved both providing a modicum of "law and order" for commercial interests and vigorous repression of the working class. A major strike by seamen, who were joined by dockworkers and others in the service industry, in 1921-22 resulted in victory for the strikers in spite of energetic manoeuvrings by the colonial régime. The seamen's strike was soon followed by an even more menacing development in 1925-26: a boycott of British goods, followed by a general strike, involving more than 50,000 workers, for 16 months.[6] Among other dangers for the British authorities was the fact that the Hong Kong strike was directly linked to events in China and indeed was co-ordinated with activities in Canton. It thus represented joint action by the Chinese proletariat inside and outside the Colony against British imperialism and was only brought to an end not by any success on the part of the British authorities but by the machinations of the right wing of the Kuomintang (Nationalist) movement, headed by Chiang Kai-shek, in Canton. For years after this the Hong Kong Government did not publish trade figures, in order to conceal the extent of the workers' victory in disrupting Hong Kong's commercial activity. In 1927, following on the Communists' major setback at the hands of Chiang Kai-shek in Shanghai, the colonial régime ordered a crackdown on the Hong Kong proletariat; the Hong Kong branch of the Seamen's Union was closed down and working class resistance largely smashed. As the nature of the class struggle within China shifted from the town to the country, and, in particular, after the Long March moved the centre of the armed struggle into remote areas far from Hong Kong, so did the tempo of working class activity in Hong Kong, as in the rest of the Treaty Ports, slow down.

The major development as regards Hong Kong's commercial future was the decision taken at the Ottawa Conference of 1932 to grant the Colony Imperial Preference. This laid the basis for Hong Kong's post-World War II export drive into Commonwealth markets when the Colony went into manufacturing on a big scale.

Apart from the tumultuous changes in China itself (which, paradoxically, had less military effect), the main change in the Far East was the rapid growth in Japan's power after the First World War. Britain, like the US and France, decided to try to form a stable alliance with Japan and as part of this overall arrangement agreed to limitations on bases for capital ships (battleships and aircraft carriers). In return for Japan promising not to build such a base in Taiwan (then a Japanese colony), Britain undertook not to build one nearer Japan than Singapore and the US no nearer than Pearl Harbour. Hong Kong was thus precluded from be-

coming a major military base, and when the Japanese attack finally came both British strategy and the forces designed to implement it were found to be woefully lacking. It must be stressed, too, that Britain insisted on defending Hong Kong in a purely colonial manner. In no way was the defence of Hong Kong linked to the wider interests of China. As one authority has trenchantly written: "If Hong Kong had been an ordinary port in South China under the control of Chinese forces . . . any competent commander would have . . . conserved his forces and supplies for regular or guerrilla activities in the Kwangtung-Kwangsi region."[7] Moreover, the British refused to arm the Chinese population and operated a racist evacuation policy.[8] The Colony by this time had a population of probably about 1½ million, of whom some 500,000 had fled thither after the Japanese capture of Canton in 1938. This influx included for the first time a sizeable group of Chinese capitalists.

But the looming contradictions between active Chinese capital and the entrenched racialist powers of the British were frozen by the Japanese threat to the Colony, and then by the Japanese occupation (1941-1945). Unlike most of Southeast Asia, the Japanese ruled Hong Kong *as a colony*, under a military Governor, Isogai Rensuke, governing essentially by decree. Although the Japanese brought far more Chinese into the administration than the British had, they, too, ruled in an imperial manner and apart from a few rather uninspired and instrumental attempts to capitalise on anti-British sentiment they did nothing to promote the ultimate liberation of Hong Kong from British rule.

Winston Churchill and the British "commitment" to Hong Kong, 1941

Churchill to General Ismay, Commander-in-Chief, Far East, 7 January 1941

> **"This is all wrong. If Japan goes to war with us there is not the slightest chance of holding Hong Kong or relieving it. It is most unwise to increase the loss we shall suffer there. Instead of increasing the garrison it ought to be reduced to a symbolical scale. Any trouble arising there must be dealt with at the Peace Conference after the war. . . . "[1]**

and less than one year later:

Prime Minister to Governor, Hong Kong 21 December 1941

> **"We were greatly concerned to hear of the landings on Hong Kong Island which have been effected by the Japanese. We cannot judge from here the conditions which rendered these landings possible or prevented effective counter-attacks upon the intruders. There must however be no thought of surrender. Every part of the island must be fought and the enemy resisted with the utmost stubbornness."[2]**

1. Winston Churchill, *The Second World War*, Vol. 3, p. 157.
2. *Ibid.*, p. 563

As regards Hong Kong's later evolution, the effects of the Japanese capture of the Colony can be summed up as: first, the evident self-serving nature of British colonialism was exposed by the Japanese attack; and the subsequent removal of the European ruling clique objectively strengthened the position of the Chinese capitalist and bureaucratic groups in the Colony; second, the wartime experience changed the relationship between the European business group and the colonial administration. There had been quite major differences between the European business leaders and the colonial régime in the prewar period. When the Japanese incarcerated the two groups together, the prisoners signalled their option by electing only one Government official to a position of command in the camp; all the rest were businessmen. After the end of the war this business group became increasingly powerful and, whereas in its earlier days it may have been true to say that Hong Kong was a Crown Colony ruled by administrators appointed by London, it later became more and more the property of its business community who worked with and utilized the colonial administration to foster the optimum conditions for a certain type of extremely rapid economic expansion based on very high rates of capital accumulation. The wartime "hiatus" was an important moment in this transition.[9]

The over-riding concern of both these groups, as of London, was, however, to make sure that British colonial rule would be restored in Hong Kong after Japan's defeat. The British Government came under heavy but spasmodic pressure during the war from both Chiang Kai-shek and the US Government to return Hong Kong to China. London managed to elude and delude its critics with some agility.[10] The local population, however, had come to expect a return to China and when Admiral Harcourt's relief force steamed into Hong Kong harbour on August 30, 1945, "on every junk and on nearly every house there flew the flag of China".[11] In the end, Britain obtained Chiang's approval for a subterfuge whereby Harcourt accepted the Japanese surrender on behalf of both Britain and Chiang as supreme commander of the China theatre. But the British moved swiftly to re-establish their own régime and after an interval of Military Government, the old colonial set-up was fully restored on May 1, 1946. In the words of one fairly uncritical observer, this "resembled a Bourbon restoration".[12]

Other than the normal administative and economic problems which can be imagined, the main issue facing the colonial authorities was that of "collaboration" with the Japanese. A multitude of Kuomintang agencies in the Colony were pursuing the question vigorously. The British soon put a stop to this via a remarkable piece of legislation, the Chinese Collaborators (Surrender) Ordinance, 1946. This effectively protected the Chinese business élite who were among the most public "collaborators" during the Japanese occupation (as during the British occupation, it might be added). Britain needed this group's cooperation to re-establish its rule in Hong Kong in the changed circumstances and was prepared to pay a price, even though it raised grumbles among the ex-internees. A mere five people were arrested for collaboration (as distinct from, say, treason or war crimes), and three were finally handed over to the Kuomintang. At the same time, in a concomitant move to assist the partial integration of the European and Chinese capitalist groups, the administration repealed the racist Peak Residence Ordinance dating back to 1904, which had barred Chinese from residing in the fashionable Peak area of Hong Kong

(Victoria) Island.[13]

The major change brought about by the Japanese occupation was, therefore, that the obsolete pre-war race and status barriers were largely abandoned within the ruling class; business groups, whether European or Chinese, became relatively more powerful; and a new, more homogeneous and rational group, less tied to London, emerged. This group is basically still in control today.

The Administration of Hong Kong

According to local legend, Hong Kong is "run by the Jockey Club, the Hong Kong Bank, Jardines and the Governor – in that order".[14] This is probably more or less correct; certainly the local business community has more power than the Governor. But since Hong Kong is "constitutionally" a colony of Britain, the colonial administrative system will be briefly outlined.

John Rear has summed up the situation well:

> "Hong Kong is not a democracy. Power, both administrative and executive, is in the hands of civil servants who are in law primarily responsible, through the Governor, to the United Kingdom. The people of Hong Kong can neither appoint these public servants to office nor remove them. The members of the community who sit on the Executive and Legislative Councils do so by virtue of appointment by the Crown and not as a result of popular elections. These 'unofficial members' . . . do not and cannot in law determine policy. The constitution permits the Governor to ignore the advice of his Executive Council, while his casting vote as President of the Legislative Council means that no official Government measure may be voted down in that assembly".[15]

The formal administration of the colony is headed by British officials. At the top is the Governor, currently Sir Murray MacLehose, a Scot (like much of the

Government Secrecy

In Hong Kong the Government does not reveal:

- **Figures for Gross National Product**
- **Figures for National Income**
- **The size of the electorate for the Urban Council**
- **The number of mentally ill**
- **How much of the budget surplus is transferred to London to prop up the pound**
- **How many people in Hong Kong are British citizens, and therefore entitled to British passports and the right to emigrate to the U.K.**

top expatriate business group). He is President of both the Legislative Council (Legco) and the Executive Council (Exco). Senior officials are appointed from London although increasingly, with the decline in colonial work elsewhere, some are making a long-term career out of activity in Hong Kong.

The key officials beneath the Governor are the Colonial Secretary and the Financial Secretary. The Executive Council has about 15 members – the Governor, 6 officials (of whom 5 ex-officio) and the rest unofficial (i.e. appointed but not ex-officio) members. Exco advises the Governor and the Colonial Secretary.[16] The Legislative Council has about 26 members – the Governor (with 2 votes), 12 official (of whom 4 ex-officio all also sitting on Exco) and the rest unofficial members. These two bodies, which are entirely undemocratic, represent a synthesis of the expatriate UK colonial régime and the local bourgeoisie, both Chinese and European (British and Portuguese).

In addition, there is a powerless Urban Council (Urbco) which looks after such matters as playgrounds and cemeteries. Until 1973 this had 16 ex-officio and appointed members, and 10 members elected by a very small local electorate. Although there are formally 23 categories of people entitled to vote, many of these categories overlap. There are financial and occupational as well as residence qualifications. In a classic example of colonial negligence, the régime does not even bother to find out how many people are in fact qualified to vote in Urbco elections. In the 1973 poll, only 8,675 people, or one quarter of one per cent of the population, actually voted. The régime welcomes this low vote as confirmation of what it calls "apathy". At most the number of persons entitled to vote for Urbco, or rather for half the members of the most powerless of all the official bodies, would come to some 6-10% of the Colony's total population. The low poll may reasonably be understood to reflect the régime's consistent refusal of democracy.

In April 1973 Urbco was, for the first time, given a degree of financial autonomy. At the same time the appointed civil servants were removed and it was reconstituted as a body of 24 members – 12 appointed and 12 elected by the same minute electorate as before.

The government actively fosters non-participation in innumerable ways, most importantly by simply making participation impossible and governing by what amounts to decree. When pressed, it attempts to claim that it is a democratic régime. In 1969 the Deputy Secretary for Home Affairs told an audience:

> "We have no general elections for the central government and yet the general trends of government policy conform to the wishes of the mass of the people . . . Our methods can certainly be improved . . . but we do have the essential ingredients of a democracy which has produced a general understanding of the people by the government (*sic*) and the government by the people . . . We . . . have every intention of staying in power".[17]

Earlier in the postwar period an Unofficial (i.e., appointed) Chinese member of Legco argued that it was better to have Unofficial Members appointed to the Council to represent the interests of the Colony as a whole "since no electorate could be devised to do justice to all sections of the community".[18] What this seems to mean is that there can be no question of allowing universal franchise

or democratic rights; and that "devising" an electorate would be more trouble than just not having one at all. This view prevails today, packaged in frequent references to "Hong Kong's special circumstances", "unique case", etc.

The importance of the effects of this situation can not be over-emphasised. There is no democracy now. The colonial régime has repeatedly indicated that there will be none in the future. No steps have been taken to introduce democratisation. Rather, it has been made clear that there will *never* be any significant degree of democratisation under British rule. Of course, this leads to non-participation -- because there is nothing to participate in. But, deeper than this, it leads to despair, cynicism and corruption. Because those making the laws represent the rich bourgeoisie, the laws acutely favour this class at the expense of the working poor. Taxation is lopsidedly geared to favour the wealthy. The courts are conducted in English – yet only a tiny percentage of the population has a working knowledge of the language. When things go wrong, as they frequently do over housing, trading, factory work, education, illness, the only things which count are money and power. The police force is notoriously corrupt as the case of Joseph Godber so clamorously revealed in 1973 to a British public sheltered from the realities of life in Britain's colony.

There is no question, naturally, of Hong Kong suddenly becoming "democratic". A democratic colony would be a contradiction in terms. The authoritarian nature of the regime is an essential factor in the colony's existence as a colony. The regime's last fallback position is the specious argument that China would frown on steps towards some democratisation in the colony. There is nothing to support such an argument.

What does need emphasising, though, is not only the *class* nature of the Hong Kong régime (whose economic effects are examined in more detail below), but also the fact that the administration relies heavily not only on excluding the population from a say in how it is governed, but also on force and violence of many kinds. The original seizure of the New Territories was stoutly resisted by the local inhabitants who had been sold down the river without being consulted. Whenever the proletariat struggled for its rights the regime launched its forces against it, as in 1925-26.

The two main components of the régime's apparatus of repression are the police and the army. At the end of 1973 the police force stood at 16,025 (all ranks), giving the Colony a rather higher police:population ratio than the metropolis. Moreover, since the big riots of 1966-67 the police force has been growing much faster proportionately than the population. Between 1965 and 1970 the police force increased by 1,500 men, reflecting the increased insecurity engendered by the anti-colonial upheavals of 1966-67.[19]

The police have very wide powers. Any police officer may arrest without warrant any person he suspects may be guilty of an offence – however minor this offence may be, and regardless of whether or not the officer has seen the offence committed. He may further enter on demand and search any place where any person to be arrested has entered or is thought to be present. An officer may also execute a warrant without the warrant being in his possession (though he is obliged to produce it on demand as soon as possible).

The extent of the latitude offered the police force is clearly spelt out in the Police Force Ordinance, Ch. 252, Section 54, which states that any policeman may stop, search, arrest and detain for further inquiries anyone who "acts in a suspicious manner, or whom he may suspect of having committed or of being about to commit, or of intending to commit a crime". As John Rear comments, "No requirement of reasonableness is expressly imported into the section".[20]

In 1967 during the Emergency over the anti-colonial riots, a further law was introduced giving any citizen the power to arrest without warrant any person he or she suspected of being guilty of an offence carrying more than one year's imprisonment or where the sentence is fixed by law. This provision remains unrepealed.

In spite of the enlarged police force and the greater powers given the force, crime is expanding rapidly. Given the nature of the society, this is hardly surprising. In March 1974 the Business Section of the London *Times* carried an article on Hong Kong entitled "Where a quick profit is a way of life". In the Colony, the writer explained, "The business population concentrates entirely on the sole aim of making money fast. The local legislation greatly encourages this, especially through extremely low income and corporation taxes . . . No wonder that corruption is widespread, as one company managing director admitted to me."[21]

In other words, since the very rationale of the colonial administration is to foster the conditions for capital accumulation, "corruption" is inevitable. Those who are able to exploit others exploit them. Some do this through investing capital. Others through bribery and "squeeze". The police force is not so much engaged in suppressing crime as in *mediating* between the exploited masses and the ruling class. The police force is a crucial element *within* corruption and crime.

The administration's lack of concern for the real protection of the inhabitants of the Colony is also revealed, perhaps even more glaringly, by recent developments in the legal system. In June 1973 three new Acts were introduced. One of these, the District Court (Amendment) Act, was especially disturbing. Two senior members of the Hong Kong Bar Association came to London to ask the Foreign Office to take a more active part in the administration of the Colony, since, they argued, procedures were being introduced which not only would never be accepted in Britain, but run counter to basic legal and constitutional principles.

The District Court (Amendment) Act, in the words of the *Times*' legal correspondent,

> "increased the sentencing power of district court judges to seven years' imprisonment . . . The effect of the new law was to cut the number of trials by jury and deprive many defendants of legal aid . . . In the district court, the circumstances in which he [the defendant] can obtain legal aid are strictly limited, as are his chances of electing to be tried by a jury.
>
> "Defendants can, therefore, after a trial before a relatively inexperienced judge sitting on his own, be sentenced to up to seven years' imprisonment without the benefit of being represented by a lawyer.
>
> "In addition, there are virtually no provisions for a shorthand note (or a mechanical recording) to be made of the proceedings. Thus a transcript of a district court case is rarely available, making it extremely difficult to bring an effective appeal against the verdict. A Supreme Court judge

recently described this as one indication that 'the administration of justice is viewed in this part of the world as of secondary importance and with contempt'."[22]

In magistrates' courts there is no legal aid at all, even though a magistrate can pass sentence of up to three years' imprisonment. The 1973 District Court (Amendment) Act fits into a pattern of colonial government: an increasing tendency towards swift, authoritarian measures. Juries, defence lawyers and interpreters all take time and money, so the easiest response is to do away with them – at the expense of the accused. About the same time the police issued to foreign diplomats a slim volume entitled "Notes on Security" containing tips on how to protect themselves;[23] amongst other things the pamphlet urged diplomats to keep their backs to the wall in corridors and lifts, stay away from balconies and be especially vigilant for suspicious people in the street. This move was followed in mid-June by a month-long "Fight-Crime Campaign" which, while doubtless leading to the arrest of a few petty criminals, concentrated on encouraging informing and clearing up some of the anomalies which had begun to threaten the business community. The "Fight-Crime Campaign" was both sinister and a diversion from the real problems of the Colony. As a special correspondent of *Le Monde* commented:

> "What will remain when all the posters have disappeared? . . . In any case, none of the problems facing the colony will be solved. The rackets and the gangs will continue to affect thousands and thousands of inhabitants in their every-day lives . . . Citizens will still hesitate to inform the authorities, who give them little if any protection. Drugs, which already poison the lives of hundreds of thousands of people, will continue their ravages. But none of this will affect those who live in Hong Kong's 'affluent society'."[24]

A few statistics give an indication of the situation. In 1973 it was officially estimated that there were 80,000 triad members in Hong Kong.[25] Even according to the government, these gangs have been getting increasingly violent, and attracting more young members. In one year, 1972, 11 of the 23 branches of the Hong Kong and Shanghai Banking Corporation in the Colony were robbed. One 84-flat tenement building experienced 41 armed robberies just on the staircases and in the lifts in the first half of 1972. In October 1972 the Governor told the Legislative Council that violent crime (murder, manslaughter, serious assaults and robbery) had risen by 135% in 4 years and that the proportion of young people committing these crimes had been steadily on the increase, too.[26] This refers, of course, only to reported and recorded crime. A detailed study of the situation concluded that there is widespread under-reporting of crime.[27] In addition, numerous activities which would be considered criminal offences in the UK, such as publishing fraudulent prospectuses, unaudited company accounts, or employing child labour are all tolerated and even encouraged in the Colony and do not figure in the "crime" statistics at all.

On the issue of police corruption little need be said. Simply to recall the two most famous recent incidents is enough. In July 1973 it was discovered that former Chief Superintendent Peter Godber had quietly left the Colony the previous

month after he had been given seven days to explain how he came to possess some £330,000 in various bank accounts. During these seven days Godber was allowed to keep his passport, and thus escaped to England, where he settled down in a cottage in Rye, Sussex. Later, in the wake of the outcry, a Chinese subordinate was found who brought a charge against Godber, thus introducing the technicality under which he could be arrested in Britain.

In August 1973 Superintendent Ernest Hunt, formerly of the Glamorgan County Constabulary, who had risen to command the murder squad in Hong Kong, was charged under the anti-bribery ordinance which makes it an offence "to maintain a standard of living above that commensurate with present or past official emoluments". Mr. Hunt was charged as he lay in the private ward of a Hong Kong hospital. When the magistrate remanded him on bail of HK$20,000 (£1,575) Hunt produced the money from a bedside drawer in $500 bills.[28] A business associate, Mr. Wong How, stood surety on his behalf for a further HK$40,000. Hunt was subequently jailed for one year after he failed to give a satisfactory explanation of how he was able to spend HK$207,404 (£16,726) when his official income for the period was only HK$156,599 (£12,626).

The prison sentence for Hunt and the unexpected pursuit of Godber naturally had certain effects.[29] They led to a drop in morale especially among the 800-odd expatriates in the police force, where some 30 ranking officers were reported to have handed in their resignations. But such cases are little more than cosmetics. A new Anti-Corruption Commission set up with much fanfare in 1973 is largely staffed by policemen from the former Anti-Corruption Branch which was notoriously the central agency for co-ordinating 'corruption' in the police force.[30] Perhaps in recognition of the relationship between money and the work involved, the head of the Commission, Jack Cater, is receiving the equivalent of HK$460,000 a year – which one pro-Government weekly said could by at least one definition be termed "bribery".[31]

It is not enough simply to repeat that the Hong Kong police force and the Colony's law system are instruments of the ruling class. The force is directly involved in profiting from the inequality and insecurity which the ruling class it serves needs to maintain its high level of capital accumulation and profit. At the same time, both the police force and the legal system work to foster insecurity and, of course, to coerce compliance with a set up where the inhabitants' rights both before a court and in determining who shall make the laws are virtually non-existent.

The second component in the apparatus of control is the military. As the official Hong Kong Government Annual Report puts it: "The primary task of the British Armed Forces in Hong Kong is . . . to be ready at all times to give instant support to the government and the police, should this be necessary."[32] The Commander of the British Forces in the Colony is an ex-officio member of the Executive Council.

Troops were used for "riot control" in 1956. In 1966-67 the army was widely used in auxiliary work, enforcing curfew, cordoning off areas, etc. Royal Navy and RAF helicopters were used to move troops, evacuate casualties and land troops on top of multi-storey buildings.[33]

The bulk of the military presence in the Colony is made up of Nepalese mercen-

aries. Three of the surviving five battalions of so-called Gurkhas were stationed in Hong Kong, as of 1973 (the other two being deployed in not dissimilar roles propping up, respectively, the Sultan of Brunei and the dictator of Singapore, Lee Kuan Yew).[34] Little attempt has been made to conceal the fact that the 'Gurkhas' are stationed in Hong Kong to fight any rearguard holding operation in case of Chinese moves to terminate British rule. These impoverished Nepalese peasants are the key elements in Britain's strategy of "making Asians fight Asians" – to protect the interests of the bourgeoisie. It goes without saying that the Colony is indefensible militarily, and there is no evidence that either London or the Hong Kong Government seriously expects to be able to hold it. What is involved is simply a brief delaying operation while the Europeans and a few wealthy right-wing Chinese make their escape. But even this scenario is considered highly unlikely by most observers. The main role of the military is to appear "credible" – for a basically incredible purpose; while in fact hovering menacingly over the Colony's population.

The Economy

Hong Kong is one of the world's top 20 trading "nations". With little over 4 million inhabitants, it exports more than India, which has 140 times its population. In per capita terms, it is among the top ten traders in the world. The percentage of the total active population involved in manufacturing is the highest in the world, and the contribution of manufacturing output to gross domestic product places Hong Kong as no.2 in the world, behind only West Germany. Clearly one is dealing with an economy of major importance on a world scale.

But Hong Kong is not an independent territory. It is a colony of the United Kingdom. Its economy has not been run in the interests of the local inhabitants. Rather, Britain has exploited Hong Kong as a detached component of the UK. By denying basic political and social rights to the population of the Colony, London has actively overseen the maintenance of those conditions which would allow for high rates of exploitation, high levels of capital accumulation, and high profits. In return for providing the essential political cover for this operation, London was rewarded with a sizeable percentage of the profits from the whole operation. This sum was largely used to prop up the pound. Hong Kong, of course, had other uses for the British ruling class: it was an escape route for hot money from the ailing metropolis; it has also been a centre for British (and other) transnational operations in Southeast Asia; and a key link in world-wide imperial activities, such as the banking-shipping-oil nexus detailed below.

A transferred economy

Whereas up until the Second World War Hong Kong functioned largely as an entrepôt, living off trading, banking, shipping and suchlike, after the War, and

especially after the victory of the Revolution in China, it developed into an important manufacturing economy.

Nicholas Owen distinguishes three features which mark off Hong Kong's economy from most other "developing" countries: "an insignificant primary sector; proportionately large industrial and commercial sectors; and an unusual degree of export-orientation in the manufacturing sector."[35] In effect, Hong Kong may be considered an urban rather than a "national" economy.

The British and Hong Kong Governments like to present the Colony as a refuge from the storm and turmoil of life in the Far East. But it would be more accurate to describe Hong Kong as essentially a parasite on China. In a real sense, Hong Kong has lived *off* China. Much has been made of the number of refugees who have come to Hong Kong from China, providing the Colony with its main economic asset – manpower. But it is rarely pointed out that the biggest such flow was in the years up to 1947. The total population has varied as follows:

1931 Census	840,473
1941 Estimate	1,600,000
1945 Estimate	600,000
1947 Estimate	1,800,000
1957 Estimate	2,583,000
1971 Census	3,950,802
1973 Estimate	4,160,000

The Government's policy has not been one of open arms, as it is usually portrayed.[36] But it has been functional for the colonial régime to accept quite large numbers of immigrants, since the two main groups have been, first, capitalist Chinese fleeing the Revolution; and, second, assorted members of the proletariat, lumpen proletariat and parasitic sectors who, like the Cubans who left Cuba after 1959,[37] wanted to get away for a variety of reasons. The Colony thus acquired both a sizeable corps of entrepreneurs with capital, and a suitably depressed labour force – both on the cheap.

As the Revolution advanced through China in the years 1947-49 both Chinese and foreign capitalists took fright. In particular, a large group of capitalists from Shanghai, China's leading industrial city, moved to Hong Kong, bringing with them machinery, capital, technological know-how and international contacts. The basis of Hong Kong's rapid growth was not an industrial revolution in the ordinary sense of the term, but rather a *transfer* of existing industry – in this case from Shanghai to Hong Kong (a transfer which might happen again?). The Shanghainese went mainly into the textile industry, where they continue to be strong; and also into knitwear, garments, plastics and enamelware. In 1968 some 20% of the manufacturing labour force was employed in factories owned by ex-Shanghai interests.[38] Working conditions and relations in these factories would appear to be worse than average for the Colony, with highly authoritarian managements, which are "strongly profit-orientated"[39] and geared to the highest possible level of exploitation.

It has been calculated that about two-thirds of total investment at the start

of industrialisation (1948-1950) came from external financing. Shanghai capital played the major role in this stage. But the big British banks soon moved into financing manufacturing industries as the entrepôt trade slowed down.

The Shanghai wave was followed by a Canton wave. Cantonese factory owners now form a larger and more powerful body. Most of the Canton-owned enterprises were founded in the mid-fifties or later. On the whole, they are smaller than the Shanghai-owned factories, but altogether accounted for about 54% of the manufacturing labour force by the end of the 1960s.

Thus, by the 1950s Hong Kong had been transformed almost into the opposite of what it had been earlier. Imperial Preference, a nominal concession at the time, gave the Colony access to a world-wide market. The abolition of formal racial barriers within the bourgeoisie made it possible for the Colony to become a centre of Chinese manufacturing. Immigration gave it a labour force, and the Chinese Revolution swept capital and capitalists South along with large numbers of triad gangsters, brothel-owners, etc. The British provided political cover, and demanded protection money in return. Originally an isolated harbour, with a small, largely rural population, which was seized as a base to penetrate the Chinese mainland, Hong Kong has become one of the most crowded cities on earth. But instead of going up-river to Canton and the hinterland, its trade now crosses the oceans – much of it on ships belonging to the Colony's own merchant fleet, now the sixth in the world, crewed by Chinese seamen largely unprotected by I.L.O. and other conventions which most industrialised nations have long since accepted.[40]

Who Owns the Hong Kong Economy Now?

Among the Hong Kong Government's contributions to capitalism is its refusal to publish statistics on Gross National Product, national income, and foreign ownership of assets in the Colony. It is the only major capitalist economy in the world which conceals this information from the general public and from its own citizens.[41]

Another unique feature of the Colony is that money is not issued by the Government, but by private banks. The main bank, the Hongkong and Shanghai Banking Corporation, issues about 85% of the notes; the rest are issued by the two other leading "British" banks, the Mercantile Bank (a subsidiary of the Hongkong & Shanghai) and the Chartered Bank. Coins are issued by the Government.

All land other than the New Territories is technically owned by the Crown, and leased out by the Government, which derived about one-third of its income from leases (as of the late 'sixties).[42]

One basic difficulty in trying to calculate who owns what in Hong Kong is that the Government does not require anything like full disclosure of assets. Companies understate (or sometimes, in the case of companies going public, overstate) their assets. In the crucial property sector, for example, very little information is made public.[43] In fact there is every reason to believe that overall the big British expatriate combines are still dominant, in league with the

Government and the main banks. Apart from the banks, four conglomerates are most prominent on the Hong Kong scene: Jardine Matheson, Hutchison, Wheelock Marden and the Swire Group (formerly Butterfield and Swire). Between them, these four are generally reckoned to account for about half the total value of all companies listed on the Colony's stock exchanges. In 1973, when the Hong Kong stock market was at its peak, the Jardine group had a market value of £5,000m, and its main subsidiary, Hong Kong Land, with a market value of nearly £2,000m, stood for a while as not only the largest property company in the world, but at a higher value than all the big U.K. property companies put together.[44] In 1971 the head of Jardines held 87 directorships, including one on the Hongkong & Shanghai Bank (i.e., the institution issuing some 85% of the Colony's currency, controlling two-thirds of its deposits, and leading the cartel which set interest rates).[45] He also was one of the 10 stewards of the Jockey Club. There are 15 companies in Hong Kong which have to have Jardines officials as chairmen or effective heads, regardless of Jardines' actual holding in the firm. In 1971 Jardines controlled the biggest wharf company in the Colony, as well as the biggest property company – though having less than 10% of the shares in these companies. The articles of Lombard Insurance Co. give Jardines control so long as it owns 10 out of the 409,924 shares – a ruling which can only be abolished by a vote representing three-quarters of the total shares. Jardines is, naturally, a member of the cartel which fixes the Colony's insurance rates – another activity not subject to government regulation. Jardines is close to the major public utilities; it has close links with the tramway, ferry, electric and telephone companies. Many of the most lucrative contracts and franchises in this important sector (see later) are distributed without open bidding or public hearings. One disgruntled American businessman interviewed by *Fortune* in 1971 expressed the frustration of many about this closed network. A propos of the links between Jardines and Hong Kong Land (chairman of both: Henry Keswick), he complained: "I accuse Hong Kong Land of this and they say, 'Well, the chairman leaves the room.' I don't care if he leaves the bloody Colony, he still controls it."[46] Conglomerates like Jardines have now branched out well outside the confines of the Colony, but Hong Kong is still a privileged base because of the extraordinary licence allowed as regards not merely taxation, but especially the auditing of accounts and the freedom to move currency; plus, of course, the unparalleled advantage of being in on the inside of every key decision concerning currency supply, lending rates, etc. The Colony, too, it must be remembered, is not some minor economy, but in many ways one of the world's *major* economies. In 1973, at the height of the stock market boom the *average* capitalisation value of each of the companies quoted on the Stock Exchange was £405m. Turnover reached as much as £45m in a single day, and the Colony's stock market was doing more business than the exchanges of France, West Germany, Italy, Belgium, Luxembourg and the Netherlands put together.

Small wonder, therefore, that the big old companies enjoy the protection the Colony affords them. This makes any comparative calculation of investment in Hong Kong highly tentative. But it would seem that in recent years of the new

investment coming in about half has been from the U.S.; 20-25% from Japan and about 20% from Britain, with most of the rest originating from Overseas Chinese concerns.[48] Two industrial sectors which have attracted much capital have been electronics and petroleum. In 1972 the U.S. Consulate General in Hong Kong stated that U.S.-owned firms and firms operating under joint venture with U.S. partners accounted for 70% of all electronics companies. Most of these operate as sub-contractors doing assembly work for the U.S. parent firm, mainly in military-related areas. By Hong Kong standards, many of these are large plants, and they are particularly lucrative for the metropolitan owner, since the wage differential in this sector between the U.S. and Hong Kong is maximal: in the U.S.A. electronics workers are relatively well paid, whereas in Hong Kong they are the lowest paid industrial workers of all, earning less than workers in any comparable sector, and with no chance of increasing earnings much since owners pay only a flat daily rate.

Hong Kong's manufacturing expansion was built almost entirely on light industry: textiles, clothing, plastics, toys, etc. All these industries used cheap labour to process imported raw materials. But in the wake of the energy crisis the Colony, which has had very high inflation, has been forced to rethink its industrial policy. Within the last year or so it would appear that the Government has decided to abandon its 25-year old policy of sticking to export-oriented light industry, and permit new heavy industries to be set up in the Colony. One of the chief obstacles to new industrial development was, until winter 1973-74, the very high price of land – approximately 20 times that of prime industrial land in the U.S.[49] At the end of 1973 the Government sold a plot of land on Tsing Yi Island by private treaty at an undisclosed price to Dow Chemical Pacific Ltd. for the construction of the Colony's first plastics manufacturing plant. The plant will produce polystyrene, a key material in Hong Kong's second largest manufacturing industry, plastics. The Government has also altered its policy on oil. During the 1973-74 winter oil crisis China helped out the Colony by increasing kerosene and diesel oil supplies. Now China is to be allowed to build a large oil storage complex, also on Tsing Yi Island. The Government is further planning to permit at least one oil refinery: a Shell proposal for a US$250m refinery to produce 200,000 barrels a day, put forward in 1972, was first stalled by environmental protests; at the beginning of 1973 in the wake of the energy scare, a Japanese group led to Toa Oil Co., in association with Hong Kong's No. 1 textile manufacturer, Textile Alliance, put forward a proposal for a US$780m refinery and petrochemical complex.[50] As well as providing the Colony with its own supply of refined petroleum products, this would also make the textile and plastics industries less dependent on supplies from Japan.

Clearly, the colonial régime, in spite of its frequent verbal obeisances towards the ideology of laissez faire is in fact intervening energetically to alter the material base of the Colony's existence. Earlier signs of this came in the Government's decisions to go ahead with a series of large public works projects. In the wake of the 1966-67 riots which, inter alia, had shown up the difficulties of moving police and troops across the harbour between Kowloon and Hong Kong Island, the Government decided to build a cross-channel tunnel. Subsequently it was decided to embark on a series of desalination plants (which are quite unneces-

sary, since China has offered Hong Kong all the water it needs on much more favourable terms). The latest big project is an underground railway, tentatively budgeted at £800m. This, it is hoped, will relieve congestion in the Hong Kong-Kowloon area. The main contracts for this have gone to a Jardines-led consortium all of whose other members are Japanese (this is, incidentally, the biggest consortium of Japanese companies ever formed). These public works projects (some of which, of course, are advantageous) also function as a means of redistributing part of the Colony's huge budget surplus to favoured businesses, and it needs little study to note the contrast between the lavish expenditures on these projects (the cross-harbour tunnel contractors, for example, were allowed to set tolls which brought them back their money in 3 years) and the régime's niggardly expenditure on social services.

Hong Kong's Attractions

The Colony's attractiveness for foreign business becomes clear if one examines the favourable conditions created by the colonial régime.

First, apart from the ban on political parties, trade unions are also subjected to

How the Government Promotes Exploitation

In Hong Kong there is:

No minimum wage
No paid maternity leave
No maximum hours of work for males over 18
No sickness benefits
No unemployment insurance
No insurance provisions for widows with young children
No medical treatment free for all
No compulsory education

In 1968-69 there were nine government employees to check all complaints about industrial payments disputes

In 1971 the Census showed that 174,439 workers were working at least 75 hours per week – and 13,792 of these were working at least 105 hours per week

In 1971 there were about 36,000 children aged 10-14 working legally, and very probably several thousand others working illegally

In 1974 less than one-third of the ILO Conventions which the British Government had ratified for the U.K. had been ratified by the British Government for Hong Kong.

severe restrictions.[51] In particular, no union is allowed to establish a political fund for its members. No union is allowed to affiliate to an international organisation (or to a union in another country, including Britain and China) without special permission of the Governor in Council, thus barring any effective international solidarity. Membership of a union is restricted to persons "habitually engaged or employed in the relevant industry" (Trade Union Registration Ordinance, 1961). This legislation militates against broad-based unions of the "general" type which have emerged in Britain, for example. It must also be remembered that such legislation has *specific* effects in a context of low wages, bad working conditions and very high labour turnover – as is the case in Hong Kong. In 1966, for example, less than 60% of the economically active population in the Colony were regular full-time employees. The other 40% would be unable to join a union. Unlike in Britain and elsewhere, this measure is not self-protection by the working class, but discriminatory legislation by the régime.

Secondly, the Government has refused to enact legislation to protect the basic rights of workers. Less than one third of the I.L.O. Conventions ratified by Britain are in force in Hong Kong.[52] It may be remembered that when the I.L.O. was first set up in 1919, Japan offered to ratify the main conventions if Britain and the other European colonial powers would apply these conventions in their colonies and concessions, such as Shanghai and Hong Kong. Britain refused. This refusal continues today, and is particularly striking since Britain is applying far lower standards to its industrial (and allegedly "prosperous") colony than are in operation in much poorer countries such as Algeria and Egypt. Of the conventions ratified by Britain, 36 are not applied in Hong Kong at all ("decision reserved") and 7 are applied "with modification". In 1974, in the territory which, it is officially claimed, has the second highest per capita income in Asia (excluding the Middle East), for which a Labour Government elected by the British people is responsible, there is: no minimum wage, no paid maternity leave, no sickness benefit, no medical attention free to all, no unemployment insurance, no pension, and no insurance provision for widows with young children.[53] This refusal to enact protective legislation can not be interpreted as anything but *active* intervention by the Government on behalf of business interests. The lack of social services, the refusal to make education compulsory, the poor housing and the lack of factory legislation combine with the derisory taxation of the rich, lackadaisical attitudes towards company accounts, etc., to form an all-embracing system of assistance to capital and discrimination against the working population.

One finds thus that during Hong Kong's period of fastest growth and greatest prosperity that the Colony had: by far the highest level of utilisation of plant in the textile industry in Asia: in 1965 looms were employed the equivalent of 24 hours a day for 360 days in the year. No other country approached even 75% of this figure.[54] That in 1968 Hong Kong workers had the longest working day and the longest working week of city dwellers in Southeast Asia: 58% worked 7 days a week, and 52% worked 10 hours or more a day. There is no legal limit on the hours worked by males over 18. When the Government introduced a regulation making four days rest a month compulsory (these four days include Sundays, not in addition to them) many workers signed agreements with employers to forfeit

holidays in order to keep up their income to the minimum necessary to live.[55]

One of the worst phenomena in Hong Kong is the widespread use of child labour. The 1971 census figures show that 35,925 (approximately 6.9%) of the children between the ages of 10 and 14 (i.e., 10 or over, but under 14) were described as being "economically active";[56] 3,099 of these are listed as "students", who presumably were working part-time, leaving 32,826, or 6.3%, who only work. Of these, almost two-thirds (23,380) were girls. A total of 12,449 were employed in textile manufacturing – the vast majority being girls (10,092). In addition, the census showed 23,234 children of school age between 6 and 10 who were not at school; some of these may well have been carrying out economically productive work of some kind, though the census does not provide information on this either way. In brief, in 1971 there were about 36,000 children aged 10 to 14 working legally and very probably several thousand working illegally.

The Government assists this kind of exploitation not simply by its active inaction in the wide fields of social welfare and education, but also by providing minimal staff for checking abuses, and by going conspicuously easy on offenders. In 1968-69 the Conciliation Section of the Labour Department had nine officers to handle about 3,500 disputes where employees claimed that employers owed them money.[57] (The number of cases dealt with, and the number of unreported complaints are both unknown.) Given the reluctance of the vast majority of poor workers to go to court, plus the prevalence of piece-work and payment by the day, it is easy to see what a strong position employers are in.

In November 1972 a Hong Kong weekly published a letter from a former worker in the Kin Yip Plastic and Metal Factory in Kuntong.[58] When this worker had fallen ill he was twice refused permission by the factory to take time off. Although having informed the factory of his illness, the management asked him to pay them compensation for being off work. When he returned to the factory to try to settle the matter after his illness, the management told him: "Even if you were sick, you should be sick in the factory; even if you were to die, you should die in the factory." When the worker turned to the (Government) Labour Department for assistance they told him that though both sides had made mistakes, it was he who should pay the factory compensation for missing work without giving one month's notice.

Penalties for employers breaking the laws which do exist are meagre. In an article in the Colony's leading daily, the *South China Morning Post* of 7 November 1969, labour inspectors are reported expressing disappointment that courts had in some cases been fining employers of child labour as little as HK$5 per child (about £0.40).[59] The average fine per *case* in 1969/70 (i.e., not taking into account the number of children found working in each case), was about HK$180 (£13.50). The maximum possible fine for employing children in industry is HK$5,000 (£385.00).

The benefits to business have been rapid and sizeable. Over the years 1960-67, for which a detailed study[60] has been carried out, the key factors evolved as follows: over this period 5,630 new firms were recorded by the Labour Department, equal to the number of registered firms existing up to 1960. Without any capital deepening, manufacturing output grew by 275% and labour productivity by 207%; over the same 7-year period the manufacturing wage index grew by only 71.5% and

total wages by 110%. In other words, while labour's share of the proceeds from manufacturing industry *fell* (during a period of economic expansion), the rate of profit rose from about 20% to 35%. This astonishing increase in the rate of profit from an already very high level can be attributed to a combination of the factors noted above, plus the introduction of many more young women workers into manufacturing who, though usually working shorter hours (irrelevant to many industries), are paid much less than men.

The factory owners who benefited from this situation were not exactly given harsh treatment by the Government. The standard rate of tax on salaries and profits is a mere 15% (and the marginal rate of tax on salaries goes only to 30%), falling again for those with incomes (married with two children) above about £6,000. In addition, as Owen remarks, there is the advantage of "the easy-going manner in which tax collection is conducted."[61]

From Ta Kung Pao **Thursday, November 23, 1972**

LETTERS TO THE EDITOR

SICK WORKER AND MANAGEMENT

Sir,

I am a metal work of the Kin Yip Plastic & Metal Factory in Kuntong. Recently I fell sick. I gave notice to the factory on June 11, but I was not allowed to leave my job. I again gave notice on June 20, and it was again rejected. As my health was really poor and I could not work, I then left the factory and took a rest at home.

I received a letter dated July 3 from the factory management and I was asked to return to the factory to settle the matter concerning my resignation. When I went to the factory, the management asked me to pay them a month's wage as compensation on the ground that I gave them no one month's notice. They said: 'Even if you were sick, you should be sick in the factory; even if you were to die, you should die in the factory'.

On August 23, I received a letter from a lawyer on the instruction of the factory management. The letter said that according to the employment ordinance, since I left my post without giving notice to the factory one month in advance, I had to pay a month's wage as compensation either direct to the employer or through the lawyer's office within one week starting August 22. Otherwise I would be sued.

[I] went to the Labour Department for assistance. But the Labour Department said that both sides made some mistakes and asked me to pay a certain sum of money as compensation to settle the matter. But I replied: 'As I am in the right, I can give no compensation!'

As the life for us workers is so difficult, we will certainly cling to the job unless it is really impossible to do so. This time I could not go to work just because I was ill. Have the workers no right even to fall ill?

Yuan Wai-chun

Economic and Social Conditions

The British and Hong Kong Governments like to refer to the Colony's prosperity. Average income, it is claimed, is second only to Japan in the Far East. References are frequently made also to rises in the standard of living. Many observations could be made about these claims.

First, in a society with very poor social services, income is not necessarily an accurate guide to the standard of living. It would be difficult to argue that a worker in Hong Kong has a higher standard of living than, for example, a worker in the Democratic People's Republic of Korea, even though the former's *cash* income might be greater (by the artificial measurement of converting it into another capitalist currency; this method also avoids comparison by the *cost* of living).

Secondly, Hong Kong probably has grosser inequalities of wealth than any society in the world. Since the upper incomes are so enormous, flat averages have even less meaning here than they usually do.

Thirdly, scrutiny of the Government's methods in compiling general statistics indicates that, at best, little attention is paid to the very poor in the Colony.[62]

But the main criticism to be made is much more sweeping than the three points above. It is that Hong Kong *is* a rich territory which compiles a huge budget surplus each year, and yet stolidly refuses to spend this surplus to assist the local population. A report published in 1967 by a Government committee noted that at that time "developments in the field of social security . . . are conspicuous by their absence". Later on the report observed that: "A glance round south-east Asia and the far east will show that Hong Kong is conspicuous for its lack of progress in this direction".[63]

In fiscal 1969-70 (a period of rapid expansion), actual government expenditure on selected items was as follows (in HK$):

Police Force	160,247,697
All forms of defence	87,925,483
Prisons	20,869,303
Social Welfare Dept.	19,204,686

The surplus for the same period was HK$618,670,000. Most of this surplus was sent to London to prop up the pound (see next section).

The effects of such a budgetary policy are visible to anyone who visits Hong Kong, most noticeably in housing (see Box on facing page). In 1971 the Mongkok area of the Colony had a density of 400 612 people per square mile – more than ten times the population density of Tokyo.[64] There are at least half a million squatters living in appalling conditions.[65] Another 1½ million live in tenements, in many of which conditions may be even worse than they are for squatters. In December 1971, 50 people were found to be living in one flat 15 by 35 feet – i.e. with

hardly enough room to lie down, must less *live.*[66] Finally, there are the resettlement estates which the administration likes to parade to show off it colonial beneficence. As one researcher described it:

> "What does resettlement offer? Ninety-eight per cent of resettlement tenants live in standard units of 120 square feet i.e., 24 square feet per adult (children counting as half adults). Walls, ceilings, and floors are bare concrete . . . and the one door leads out on to the public balcony which serves as a general thoroughfare for the whole floor. Inside each unit, there is one concrete bench, where kerosene stoves for cooking are placed. As each room houses at least five people . . . cubicles and bed-spaces are partitioned off - vertically and horizontally – obstructing the small flow of air between window and door".[67]

In addition, many people are engaged in work in home industries in these flats. As another observer has remarked, what has happened is that "the government is building instant slums, and then proceeds to hawk what it has done to the people in Hong Kong and the world as a public housing programme."[68] In April 1972

Housing in Hong Kong – According to the 1971 Census[1]

Table 27, **p.101-104, of the Census shows that among the "economically active population",**

623,531 lived in a "room or cubicle"
53,896 lived in a "temporary structure"
27,260 lived in a "verandah, cockloft, basement, storeroom, corridor, etc".

while

13,775 had only bed space
9,156 lived in a "roof shack"
1,246 lived in a "derelict boat"

Table 62, **p.242 shows the average number of persons inhabiting** *each room or cubicle* **in Hong Kong dwellings:**

In 92,168 dwellings, less than 1 person per room or cubicle
In 210,332 dwellings, 1 to less than 2 persons per room or cubicle
In 140,364 dwellings, 2 to less than 3 persons per room or cubicle
In 77,662 dwellings, 3 to less than 4 persons per room or cubicle
In 44,180 dwellings, 5 to less than 6 persons per room or cubicle
In 22,885 dwellings, 6 to less than 7 persons per room or cubicle
In 17,128 dwellings, 7 to less than 8 persons per room or cubicle
In 11,157 dwellings, 8 to less than 9 persons per room or cubicle
In 6,013 dwellings, 9 to less than 10 persons per room or cubicle
In 5,350 dwellings, 10 or more persons per room or cubicle

1. *Hong Kong Census 1971: Population and Housing, Main Report.*

delegates to the Commonwealth Conference on Development and Human Ecology in Hong Kong went on a tour of the resettlement estates and were reported "incredulous and shocked by the government slums". "Hong Kong" the report noted, "has a reputation abroad for being a pioneer in providing low-cost housing on a massive scale, but the delegates were appalled to see the human cost of such a crash building programme."[69] Another sign of government dereliction in this area has been its consistent refusal to intervene to keep down the price of land and of rents – a relatively simple matter, since the Crown owns all the land (except in the New Territories) and the government is the biggest proprietor of housing in the Colony.[70]

The housing situation is a major factor in Hong Kong; intolerable living conditions foster despair, crime and narcotics addiction. That the Government should attempt to pass off its abysmal housing record as some kind of achievement is a cruel deception. What the administration has done, in effect, is to construct the minimal dormitory accommodation for a super-exploited proletariat. This is no more than a rational capitalist calculation. It is not a social service.

The Government may point to the resettlement blocks and claim it is concerned with the well-being of the population. But how is it possible to believe this claim when in the late 1960s, *at a time when there was a regular annual surplus in the budget* expenditure on social welfare (both directly and via subventions to voluntary organisations) accounted for a mere 1 per cent of total Government expenditure, less than annual public expenditure on stores?[71]

Hong Kong and Britain

In an age of general decolonisation, one must post the question; why has Britain not terminated its colonial rule over Hong Kong?

Hong Kong has brought several advantages to Britain. The most important of these in the post-war period has been its contribution to London's reserves and thus to the pound. In fiscal 1969-70, while the London-appointed colonial administration was spending HK$19,204,686 on its Social Welfare Department, the Colony's budget showed a surplus of HK$618,670,000. The bulk of this was sent to London to bolster the UK's reserves and support the pound. By 1972 one American source calculated that Hong Kong was providing as much as half all the backing for the pound.[72] The *Financial Times* estimated Hong Kong's contribution to be in the region of £900m. This sum was made up of both official Government contributions and reserves of private banks in the Colony which were channelled back to the metropolis. This arrangement depended directly on not spending the surplus on the welfare of the Colony's inhabitants. In fact it represents an almost unprecedentedly "pure" example of a direct transfer of such a kind from a colony to the metropolis.

Hong Kong lost out further on the transfer through successive devaluations of sterling. But it is clear that this is the price it had to pay London for "protection". For some time Hong Kong was obliged to keep 99% of its reserves in London.

This figure was subsequently lowered to 89%. In the early 1970s pressure began to build up from two directions: from the ruling group in Hong Kong, who were displeased at seeing the Colony's reserves dwindling in London; and, as Britain entered the EEC, from London's Common Market partners, especially France, who wanted to see the end of the post-sterling area. EEC pressure allowed the Hong Kong ruling groups to exercise unprecedented leverage and withdraw probably over half their holdings from London, so that by mid-1974 the sum detained in London was generally reckoned at about £350-400m.[73]

The second advantage of the Colony for British capitalism has been as an escape route in time of crisis. The 1967 devaluation of the pound which led directly to the fall of the Labour Government was caused by a number of factors, but the flight of money from the City to Hong Kong was undoubtedly one of the most important if not *the* most important factor.

Thirdly, financial and industrial operations in Hong Kong itself, and from Hong Kong as a base, have been consistently highly attractive. In effect Hong Kong has functioned like an offshore island of the UK, where taxation is less than half what it is in the metropolis, tax evasion is simple, wages are rock bottom, growth double, treble and even quadruple what the motherland can show and there are no such problems as exchange controls and suchlike. In addition, the Colony was in the centre of what was the fastest-growing economic area in the world for the best part of a decade, Southeast Asia. The control which Britain could exercise over the Government, too, was not something to be despised. As well as the direct control over the money supply, insurance rates, etc., detailed above, the London-Hong Kong group could also exercise a controlling influence over the Colony's stock market. As noted above, in 1973 this hit a point where it was turning over the third largest sum of any stock market in the world; the Hang Seng Index quadrupled in a matter of months, and then fell down below its starting point just as rapidly. With the average quoted worth of every company on the exchange at £405m at the top of the market, it is not hard to realise that hefty fortunes were won and lost – in an atmosphere and conditions which could no longer be reproduced in the metropolis, or indeed in any leading capitalist nation. Those in command of this operation made the best of it, and London adopted a conspicuously hands-off approach until Jardine Matheson utilized their suddenly vastly increased paper wealth to swoop and take over a London property company, Reunion, in a £50m deal. This set alarm bells ringing in the City and signals from London that powerful interests in the Colony would not be able to manipulate future deals of this kind seem to have been an element in bringing the Hang Seng Index crashing down shortly afterwards.[74]

The value of Hong Kong to London and British imperial interests can also be clearly seen through the remarkable case of a mammoth banking-shipping-oil combine, which also illuminates the staying power of a now submerged, but still potent, old Empire network. After the Second World War and the victory of the Chinese Revolution, the Hongkong & Shanghai Bank was the first British bank in the Colony to go into financing industry and shipping in a big way. Through backing a then penniless Shanghai émigré fleeing the Revolution, Y.K. Pao, the Bank owns 40% of World-Wide (Shipping) Ltd, the group headed by

Pao. By April 1973 World-Wide had in service or on order a fleet of about 135 ships aggregating nearly 14m. deadweight tons – more than all the merchant shipping then sailing under the US flag.[75] Pao is placed to be the world's no. 1 shipowner by 1975, if he is not already, far outdistancing Niarchos, Onassis, Ludwig, Tikkoo and Tung. Part of the basis for Pao's success has been the special conditions offered by Hong Kong as regards taxation, disclosure of assets and crews unprotected by international shipping regulations. But the Hongkong & Shanghai Bank connection did not hurt either. Quite apart from the Bank's weight in the City of London, Hongkong & Shanghai owns the biggest foreign bank in the oil-rich Middle East, the British Bank of the Middle East (the Chartered Bank is also primarily a Hong Kong-Middle East-London operation).[76] Pao's main activity has been chartering tankers. Another vital link in the chain here has been the Hongkong & Shanghai Bank's connections with Jardine Matheson. One of the two brothers who have had a virtually controlling interest in Jardines, Sir William Keswick, as well as being the senior non-executive director of the Bank of England, was until 1973, a director of BP; in addition, Jardine Matheson's main UK-based subsidiary is a tanker chartering and leasing company called Matheson. Hong Kong is thus not only tied into a global network, it provides the secure, controlled and privileged base for the banking, financing and chartering operations.

Hong Kong is also an important base for companies active in the Southeast Asia area and Oceania. Many of the high-flying operations of the early 1970s were controlled by holding companies in the Colony, which did not have to publish the same kind of detailed reports as would companies in, say, Malaysia, Singapore, or Australia. Already in the first quarter of 1971 Hong Kong was the no. 3 foreign investor in Indonesia, behind only the USA and Japan. It is, of course, the special privileges fostered *within* the Colony which make it such an attractive base for operations elsewhere, but this type of activity is second only in appeal to the labour-intensive, high-profit operations in the Colony itself.

A somewhat new situation has been created since Britain joined the Common Market. London failed to get Hong Kong into the EEC tariff preference schemes, although Hong Kong's main rivals in the textile, clothing and plastics industries in the Far East all were given preferential treatment.[77] At the same time, under EEC pressure, London had to loosen its grip on the Hong Kong reserves as a step towards the goal of a common EEC currency. But too much should not be made of all this, since some in the UK, especially British textile interests, were only too glad to see Hong Kong shut out.

From a practical and theoretical point of view, the most unusual feature of Hong Kong's relationship to the UK in recent decades is that the Colony provided the ailing metropolis with a regular and far from negligible financial contribution Some in the City of London would be sorry to see their bolt-hole shut off – but most of them have presumably made use of it already. In the Korean War, too, it provided an extremely useful base for assisting in the attack on the Korean people. During the Indo-China War, it has also served as a useful, but not essential support area for the US.

There is, too, of course, a certain inertia to imperialism, but this should not be overestimated. Particularly when angled round such militaristic and racist

themes as the last campaign to keep a force of Nepalese mercenaries, there are undoubtedly many in Britian who will give their support to maintaining a colonialist position in Asia. But the haggling over withdrawing part of Hong Kong's assets from London showed as nothing has before that one must look carefully at the role of the white-settler group in the Colony and at the "colonials" [78] as a whole. It seems reasonable to assume that the ruling group in the Colony – by which is meant the (sometimes contradictory and not wholly integrated) alliance between the colonial administration and the capitalist class, both (British) quasi-expatriate and Chinese – now enjoys a relative autonomy from London. As Arghiri Emmanuel has trenchantly described it, it has been the settler communities, not the metropolis which has tended to fight hardest to hang on to colonies qua colonies.[79] This tendency may even be more aggravated than usual in the case of Hong Kong, since any "neo-colonial" adaptation is out of the question. Hong Kong is truly a last ditch.

The situation which prevails at the moment could perhaps fairly be summed up as one where there is an (uneven) balance between the general metropolitan move towards decolonization and the desire of the "colonials" as a whole (see note 78) to maintain the colonial set-up. This balance is still tilted well towards retention of the colony, since it is an economic (and political)[80] asset to the UK Government. This could well continue to be the case even if all the Hong Kong money is withdrawn from London, since the Colony's other economic advantages are so considerable. But it must also be recognised that retention is facilitated by political factors. One of these is the lack of anything which could be called a national liberation movement in the Colony (see below); in the past such movements, even where not defeating the imperialist power outright, have frequently altered the balance to the point where it was not "worthwhile" for the colonial régime to hang on. The other is the lack of any movement in the metropolis to pressure the British government to continue the general process of decolonization and apply its principles specifically to its main colony, Hong Kong.

The Political Future

The British Government's position on the future of Hong Kong is that the less said about it the better (see Appendix I). The main ingredients of the position are inactivity and silence, though with subtle qualifications. On the one hand, the Government declines to give figures for the number of people in Hong Kong who qualify as British citizens and could therefore acquire British passports and, technically, apply for entry to the UK.[81] On the other hand, the Government, together with the Hong Kong administration, quietly backs the dissemination of selected information on the Colony, portraying it as a nice tourist spot, or a good place to invest, or a kind of welfare state. Apart from the rocky stretch during the Second World War, London has given no indication that it is prepared to discuss the return of Hong Kong to China, or that it is making any preparations to terminate its colonial rule. Nor does it recognise China's position, even in principle.

The People's Republic of China has made its position clear on a number of occasions. Its overall position is perhaps best summed up by a 1967 article from the *Renmin Ribao (People's Daily):*

> "Hong Kong has been Chinese territory since ancient times. This is a fact known to all, old and young, in the world. More than a century ago British imperialism came to China by pirate ships, provoked the criminal "opium war", massacred numerous Chinese people, and occupied the Chinese territory of Hong Kong. Later it snapped [up] the Chinese territory of Kowloon and the Chinese territory of the "New Territories". This is an enormous blood debt British imperialism owes to the Chinese people. Sooner or later, the Chinese people will make a thorough-going liquidation of this debt".[82]

In an editorial in the *People's Daily* in March 1963 China made it clear that Hong Kong remains an unresolved problem left over from the past. Taiwan, having been formally restored to China in 1945, forms a separate category and is an entirely internal Chinese affair. Hong Kong, along with the Portuguese colony of Macau, is bracketed with the outstanding border issues as a question which "when conditions are ripe . . . should be settled peacefully through negotiations."[83] The implication of this (and other) statements was that Hong Kong was definitely an issue; it was not something that could be left indefinitely; but that Taiwan would probably be settled first; and that Hong Kong and Macau *might* have to wait until a *general* settlement of China's 'border' problems inherited from the past – i.e., those with the USSR, Britain and Portugal.

In June 1967, at the height of the Cultural Revolution, and after major riots had swept both Hong Kong and Macau, encountering stiff repression from the British and violent but brief resistance from the Portuguese, Chou En-lai told a banquet in Peking given by Zambian President Kaunda:

> "Hong Kong and Kowloon have always been Chinese territory . . . the Chinese people are determined to give, in accordance with the needs of the situation, every support to their compatriots in Hong Kong till final victory . . . Hong Kong's destiny will be decided by our patriotic countrymen there and the 700 million Chinese people as a whole, definitely not by a handful of British imperialists".[84]

In March 1972 China's Permanent Representative to the UN, Huang Hua, elaborated on his government's position on Hong Kong in a letter requesting that Hong Kong and Macau be removed from the list of territories covered by the Declaration on the Granting of Independence to Colonial Countries and Peoples. Hong Kong and Macau are defined as "part of Chinese territory occupied by the British and Portuguese authorities. The settlement of the questions of Hong Kong and Macau is entirely within China's sovereign right . . . [and] should be settled in an appropriate way when conditions are ripe".[85] Further, neither Chou's 1967 speech nor the 1972 letter to the UN makes any mention of negotiation.

These general statements of principle about China's position on Hong Kong have been accompanied by specific actions, both political and economic, on different issues. One of the first elements of contention between Peking and the Hong Kong administration concerned the right of Chinese citizens to enter and leave Hong Kong

at liberty. Peking argued that since Hong Kong was part of China, the British had no right to bar Chinese citizens from entry.[86]

Similarly, while China has adopted a restrained attitude towards British colonial rule and its effects on the inhabitants of the Colony, it has intervened several times with protests to indicate that the British authorities may go so far and no further. In 1957 China protested over plans to move 7,000 people because of a construction project. When this protest was rejected by the British, China made a second protest. The British, China stated, had tried "to deny the Chinese government its legitimate rights to protect from infringement the legitimate interests of the Chinese residents of Hong Kong and Kowloon".[87] This would appear to be the furthest that China has gone in claiming to have the right *in practice* to look after the inhabitants of the Colony. Roughly similar warnings were issued during the British repression at the time of the Cultural Revolution to the effect that Britain did not have *unlimited* freedom of action to suppress the Hong Kong masses.

Inhabitants of Hong Kong are categorized neither as fully fledged citizens of the People's Republic nor as overseas Chinese (*hua qiao*). Instead, they figure in a special category, compatriots (*hua qiao*).[88] Hong Kong, like Macau, but unlike overseas Chinese communities (or Taiwan), sends delegates to the sessions of the National People's Congress in Peking.

Furthermore, although the position of Hong Kong may strike many as an anomaly (which it is), both China and the majority of the inhabitants of the Colony do see it as part of China. China not only supplies Hong Kong with much of its water; in time of crisis it has supplied it with extra quantities of rice and come to its assistance with oil. It puts into practice what it says about Chinese citizens being allowed to move freely from one part of China (the People's Republic) to another (Hong Kong): in fiscal 1955-56, for example, 19,000 more people left Hong Kong for China than moved the other way.[89] In 1950, immediately after the victory of the Revolution, 200,000 left the Colony for the People's Republic.[90] China, unlike the British authorities in Hong Kong, imposes no quota system. China made the same point to the UN in 1972: people moving from one part of China to another were and are a purely internal Chinese concern.[91] China's policy, which may look curious to some in the West, appears to be well understood in Hong Kong. China, it is argued, looks after its compatriots when they are in need: with rice (in 1959-60), oil (1973-74), water, or whatever.

China has given no detailed interpretation of what it means by the phrase "when conditions are ripe". In 1955 China put forward a proposal for stationing an official representative in Hong Kong. This move, interestingly, was welcomed by the British chargé in Peking, but vetoed by the Governor of the Colony, Sir Alexander Grantham.[92] This represented a clear case where the colonial ruling group asserted its autonomy from, and predominance over, the London government. China put the same proposal forward again in 1971, pressed the point with the British Foreign Secretary, Sir Alec Douglas-Home, during his visit to China in October-November 1972, and reiterated it strongly during 1973.[93] In particular, China linked the proposal with several matters close to the Hong Kong administration's heart: first, the possibility of a direct Hong Kong-Canton rail link (i.e., without passangers having to disembark and walk across the frontier); second, with the possibility of direct

flights from Hong Kong to China, and with British Airways being granted rights to fly into China. China is currently pressing Britain to adopt a strong anti-Taiwan line over the airlines issue, suggesting that China Airways (Taiwan) be barred from Hong Kong as part of a package allowing British Airways to fly to China. When Sir Alexander Grantham turned down the request for an envoy in the 1950s he argued against the proposal on the grounds that it would mean there would be "two governors for the colony". In April 1973, the (London) *Economist* claimed that "opinion in Hong Kong strongly favours the proposal".[94]

Nor it is clear quite what degree of understanding and signalling there has been between London and Peking. On November 2, 1972, at a press conference in Peking, Douglas-Home, asked about the status of Hong Kong, answered: "I think we were both satisfied with the situation".[95] Yet at the same press conference he stated that he had discussed with the Chinese Government the question of Chinese imprisoned in Hong Kong as a result of the 1967 demonstrations. Next day, in Hong Kong, he told another press conference that the future of the colony "was not raised and I do not anticipate that such questions will be raised in the future".[96] Douglas-Home also said he foresaw "no major developments affecting Hong Kong in the foreseeable future". Twelve days later, the Under-Secretary of State for Foreign and Commonwealth Affairs, Anthony Royle, also in Hong Kong, asked whether the two million or so Hong Kong-born Chinese, who qualify as British subjects, would be allowed into Britain in the event of "a communist takeover", replied: "There is no question of Hong Kong being taken over".[97] The subject was, therefore, a hypothetical one, he claimed. Royle further claimed that the Chinese Government was satisfied with the Colony's present status.

This is hard to believe. China has shown itself to be patient, but there is no way it could be "satisfied" with the conditions which 4 million of its compatriots are obliged to endure in Britain's colonial bastion, nor with the uses which Britian has made of its base in China to wage aggression against the people of Korea, and to assist the USA in its wars throughout Southeast Asia.[98]

Allegations that China is "satisfied" with British colonialism in China form part of the propaganda of that very colonialism. This line is put forward in various forms, of which the most extreme is that China actually (it is alleged) welcomes Hong Kong's existence as a colony. It is important to face up to this argument and deal with it, since it is an absolutely crucial component in the continued retention of Hong Kong.

The most sophisticated version of this argument was put forward in 1972 in the semi-official British magazine, *International Affairs.* Here, it was suggested that Hong Kong "may perhaps be regarded as China's Trojan Horse in the American sphere of interest in Asia."[99] But the more usual argument is just simply that Hong Kong is of economic profit to China.

It is true that the People's Republic (P.R.C.) has sizeable economic interests in Hong Kong. In 1973 there were 78 branches of P.R.C. or pro-P.R.C. banks operating in the Colony, with about 17% of all deposits in the Colony.[100] China has other assets in Hong Kong, including department stores, property, schools and trading offices. Some observers have estimated that around 1972 China was deriving as much as 40-50% of its foreign exchange from Hong Kong either directly or indirectly (i.e., from exports to or via Hong Kong, remittances from Hong Kong, sales in Communist-owned stores, bank-

ing and trade operations). This calculation may be correct. But the deduction from this that China does not want to recover Hong Kong because of economic motives strains credulity.

On the purely economic level, several things can be said. First, in the years immediately after the victory of the Revolution, Hong Kong, far from being an economic "asset" to the People's Republic, was a huge drain on its resources: almost US$105m in 1950, and US$143m in 1951.[101] Second, one of the reasons China presumably does much of its business in and through Hong Kong is because Hong Kong is there; but equally presumably, there is no reason why many of the banking and commercial activities currently carried on in Hong Kong could not be carried on elsewhere. Third, many of the commodities which China currently exports to Hong Kong could equally well be exported elsewhere: rice, oil, etc., are all in demand and likely to remain so. The "economic" argument ignores two further economic facts: that Hong Kong itself would be quite an asset to the Chinese economy (its foreign exchange earnings through exports are greater than those of the People's Republic); and, by eliminating the profits and waste of capitalism, Hong Kong might well become an even bigger foreign exchange earner under socialism than it is under colonialism.

But all these arguments ignore the basic fact that China's attitude is determined not by economics but by politics. The liberation of Hong Kong is an important objective, but it is *part* of the wider struggle to re-integrate the whole of China. In 1936, the Chinese Communist party held in their hands the leader of the Kuomintang, Chiang Kai-shek. They could have executed him, and many doubtless would have cheered, then as now. The decision not to execute him (or even detain him) was based on wider strategic considerations, involving the need to unite against the Japanese invaders, and to win over the masses then supporting the Nationalist movement.

This episode (the Sian Incident) may help to illuminate the case of Hong Kong. Obviously, it would be easy for the People's Liberation Army to liberate Hong Kong. But the no. 1 priority at the moment is the recovery of Taiwan, acknowledged to be a slow process. After China recovered its UN seat in 1971 and more and more countries broke with Taiwan, the People's Republic stepped up its public campaign to win over waverers in Taiwan. This campaign was echoed in Hong Kong. In 1972 a mass rally to celebrate the 23rd anniversary of the Founding of the People's Republic of China in Hong Kong was addressed by the Chairman of the Hong Kong Federation of Trade Unions, Yang Kuang, who stated:

> "Now there are more and more people who want to know more about our motherland and express their desire to love our motherland. In response to our motherland's call 'patriots belong to one big family', and 'no distinction should be drawn in patriotism between those who come forward first and those later', there are more and more people who wish to do good for the motherland. This has become the main trend in Hong Kong today. As for those with wrongdoings in the past but now standing for the socialist motherland, we will welcome them all".[102]

Another indication of China's thinking came after the April (1974) coup in Portugal. Since the mass movement against Portuguese colonialism at the time of the Cultural Revolution, Macau has been governed in effect by a pro-Peking group,

headed by Ho Yin, a prominent Chinese businessman, and delegate to the National People's Congress. Shortly after the April 25th Lisbon coup, he gave an interview to Hong Kong's leading bourgeois weekly, the *Far Eastern Economic Review,* in which he is quoted as follows: "The Chinese and the Portuguese people are living in harmony in Macao whereas the Portuguese and the Africans are constantly in political and armed conflict. What's more, Portugal is too far away to exert any real influence. As long as the Chinese people here are not being suppressed, China will continue its present policy towards this place". Any forcible takeover, he said, "is absolutely unnecessary". Moreover, he went on: "Premier Chou has repeatedly stated that both Macao and Hong Kong are part of China and it will take them back when the right time comes. That could be any time between next year and 10-20 years from now".[103] Since Ho gave this interview, a Portuguese delegation visited Macau and announced that Portugal would hold a referendum in the colony. At the time of writing it is not known what China's reaction to this will be.

One of Hong Kong's main activities for the past 25 years has been "China-watching". It needs pointing out that discussion of Hong Kong's future in terms of outside speculation about China's intentions is itself a form of China-watching and does not come to grips with the real issue, *which is British colonialism and the continued seizure of part of China by Britain.* The Chinese have correctly opposed others' interfering in their internal affairs. But one of the key phrases in repeated Chinese statements about Hong Kong is that the issue will be settled "when conditions are ripe". Nothing in China's position indicates that it would not welcome action by the British people to terminate Britain's aggression against China. On the contrary, the *People's Daily* article of 20 August 1967 states explicitly that Britain *is* involved when it calls on Britain to pay its debt to the Chinese people.[104] The upshot of most speculation about China's intentions is to try to shift the burden of responsibility for Hong Kong from the shoulders of the British people to those of the Chinese people. But this is like saying that a man who has climbed 99 high mountains should therefore climb the one hundredth while the man who has stayed in his armchair all the time need not even get up to open the door.[105] Hong Kong is part of China, but the British people are responsible for British colonialism. There is no reason to think that Peking would not respond favourably to moves by the British people to terminate British colonialism in Hong Kong and restore Hong Kong to China. But even if this were not the case, it would not exonerate the British people and the British state from putting an end to the present unjust régime, which so cruelly exploits the Chinese masses and deprives them of so many elementary democratic and social rights. No people which so oppresses another can itself be free.

Notes

1. The last execution was carried out in 1966. Between 1966 and 1973 all those condemned to death for murder were reprieved – and it was generally understood that the reprieve was automatic. But in 1973, as part of a Government drive against crime, the Governor decided, without warning (but with strong local backing), to let the death sentence stand on one convicted murderer. The name of the unfortunate person, Tsoi Kwok-cheong, was picked out of a hat. The Governor was subsequently overruled by London and the man reprieved. See the *Times,* May 17, 1973. For further details on murder cases, see *Hansard* (Commons), 4 February 1974, cols. 240-242.
2. On the local problem, see Michael G. Whisson, "Some Sociological Aspects of the Illegal Use of Narcotics in Hong Kong", in I.C. Jarvie with Joseph Agassi, eds., *Hong Kong: A Society in Transition* (London, Routledge and Kegan Paul, 1969). There are an estimated 300,000 addicts in Hong Kong. As Whisson emphasizes, the situation can not be written off as irreparable, or not the specific responsibility of the British, since the Portuguese authorities in Macau reduced the number of addicts there to about one-fifth the Hong Kong level, proportionately, with a very similar population and social conditions (Whisson, p. 310). For Hong Kong's role in the world drug trade. see Alfred W. McCoy with Cathleen B. Read and Leonard P. Adams II, *The Politics of Heroin in Southeast Asia* (New York, Harper & Row, 1972), ch. 6. See also report of McCoy's testimony to the US Senate Foreign Operations Appropriations Sub-committee, *Ta Kung Pao,* English Language weekly edition*, No. 317 (June 8-14, 1972), pp. 15-16.

   * henceforth abbreviated to *TKP.*
3. Cited in G.B. Endacott, ed., *An Eastern Entrepôt: A Collection of Documents illustrating the History of Hong Kong* (London, HMSO, 1964), p. 16. Much the best source on Hong Kong's history is Walter Easey, 'History of Hong Kong to 1945', in Association for Radical East Asian Studies, *Hong Kong; Britain's Last Colonial Stronghold** (London, Association for Radical East Asian Studies, 1972): the section on history here is essentially a précis of Easey's essay.

   * henceforth abbreviated to: AREAS, *Hong Kong.*
4. Cited in M. Greenburg, *British Trade and the Opening of China* (London, Cambridge University Press, 1951), p. 15.
5. For Shanghai, see George Woodcock, *The British in the Far East* (London, Weidenfeld & Nicolson, 1969), p. 16; and especially Leonard P. Adams, "China: The Historical Setting of Asia's Profitable Plague", in McCoy, *The Politics of Heroin in Southeast Asia.* Re Borneo: revenue from the opium monopoly accounted for 11% of total revenue in 1938 and it was only in that year that the Legislative Assembly passed legislation to phase out opium (except with a medical certificate) *by 1950* (see letter from Sir Neil Malcolm, *Far Eastern Survey,* Vol. 15, no. 2 (January 30, 1946), p. 24. For Hong Kong: I. Epstein, "Hong Kong: Past and Present", *Far Eastern Survey*, Vol. 15, no. 8 (April 24, 1946), p. 113.
6. See Easey, "History of Hong Kong", pp. 18-19, and references there; and Jean Chesneaux, *The Chinese Labour Movement 1919-1927* (Stanford, Stanford University Press, 1968), ch. 12.
7. Easey, "History of Hong Kong", p. 22.
8. Henry J. Lethbridge, "Hong Kong Under Japanese Occupation: Changes in Social Structure", in Jarvie and Agassi, eds. *Hong Kong,* pp. 89, 91ff.
9. This thesis is argued by Lethbridge, "Hong Kong Under Japanese Occupation", cit.: p. 78 (a useful text on the Japanese occupation); it is not universally accepted: Woodcock, for example, writes that "though it was temporarily deprived of property, the Hong Kong British community continued to exist as a unit and to maintain its hierarchical structure even in defeat". *(The British in the Far East, p.227).*
10. A valuable and detailed study of this, using many unpublished documents, has recently appeared; see Chan Lau Kit-ching, "The Hong Kong Question during the Pacific

War (1941-45)," *Journal of Imperial and Commonwealth History*, Vol. 2, no. 1 (October 1973): 56-78; Chan is especially interesting on how the British, with almost no cards to play, restored their position against joint US-Kuomintang opposition.

11. F.S.V. Donnison, *The British Military Administration in the Far East, 1943-46* (London, HMSO, 1956), p. 202; see also: G.B. Endacott, *A History of Hong Kong* (London, Oxford University Press, 1964), p. 302; and Chan, "The Hong Kong Question during the Pacific War", p. 73.
12. Woodcock, *The British in the Far East,* p. 237.
13. Lethbridge, "Hong Kong Under Japanese Occupation", pp. 117-118; Easey, "History of Hong Kong", p. 24.
14. The Royal Hong Kong Jockey Club has, among other things, a monopoly of lawful gambling in the Colony. Its accounts are only available to its own voting members – but even they have no say in the disposal of profits. As John Rear writes: "it is difficult to think that anywhere else but in Hong Kong the Jockey Club would have been forced to account more openly for the revenue it received from its monopoly, which is virtually a licence to print money". (John Rear, "One Brand of Politics", in Keith Hopkins, ed. *Hong Kong: The Industrial Colony* (Hong Kong, Oxford University Press, 1964), p. 79). In October 1973 the Government allowed the Jockey Club to start up off-course betting: within 6 months, the Jockey Club was taking over cinemas to turn them into betting shops – a total of 200 of which were already planned within that period. The Club was taking the same rake-off as the Government in taxes (7.5% each) – see *TKP* no. 413 (April 25-May 1, 1974), p. 15. Off-course betting was legalized in the wake of the 1973 stock market collapse.
15. Rear, "One Brand of Politics", p.55; this essay and another by Rear in the same volume, "The Law of the Constitution", are the essential texts on the political set-up. See also J. Walker, *Under the Whitewash* (Hong Kong, 1971), ch.8; and Anon, "The Colonial Administration" in AREAS, *Hong Kong.*
16. As of February 1973 Exco had 16 members, and Legco 27. For details of personnel as of January 1970 see Rear, "One Brand of Politics", especially pp. 126ff., and Rear "The Law of the Constitution", pp. 336-338, 348ff.
17. Cited in Rear, "One Brand of Politics", p. 58. Up to February 28 1969 the Secretariat for Home Affairs was known as the Secretariat for Chinese Affairs.
18. Sir Man-Kam Lo, *Hong Kong Hansard 1949.* p. 192. cited in Rear, "One Brand of Politics", p. 71.
19. Bai Ke Qiang, "The Police", in AREAS, *Hong Kong,* p. 79. This was also the period when the big upsurge in crime started really to take off.
20. Rear, "The Law of the Constitution", p. 389. Yet, even the power conferred by the Police Force Ordinance give only an incomplete picutre. Other Ordinances, such as the Dangerous Drugs Ordinance and the Arms and Ammunition Ordinance, confer virtually blanket powers to stop and search. In 1973 even more drastic legislation was introduced on this front (see *Far Eastern Economic Review**, May 21, 1973, p. 21). In addition, there is no right of free association and assembly in the Colony; the police can licence meetings, but under the Police Order Ordinance such powers are reserved to the police that it is never possible to be sure if a meeting is indeed legal or not: see Rear, "One Brand of Politics", pp. 106-7. Cf. Bai Ke Qiang, "The Police", pp. 83-4, and below. *Henceforth: *FEER.*
21. Frank Vogl, *The Times,* March 8, 1974.
22. Marcel Berlins, "The last pearl of the Empire loses its lustre", *The Times,* January 9, 1974; another bill drafted about the same time introduced preventive detention in special institutions for anything between 5 and 14 years for "habitual criminals" (*FEER*, May 21, 1973, p. 21).
23. *Newsweek,* April 30, 1973.
24. Patrice de Beer, *Le Monde,* 13 July, 1973.
25. *TKP*, No. 393 (November 29-December 5, 1973), p. 15; the triad gangs have been expanding membership in schools, and among the police force; see *TKP* no. 416 (May 16-22, 1974), p. 15, for report of a policeman detected joining triad gang.
26. *TKP*, Nos. 346 (December 28, 1972-January 3, 1973), p. 15; 324 (July 27-August 2, 1972), p. 15; 337 (October 26- November 1, 1972), p. 15.
27. Bai Ke Qiang, "The Police" in AREAS, *Hong Kong,* pp. 79-82; another source suggests that "for every reported offence there have been probably several which never reached the police" (*TKP*, No. 324 (July 27-August 2, 1972), p.15).
28. *The Guardian,* August 8, 1973.
29. The pursuit of Godber was forced by popular pressure; when news of Godber's escape

became known there were large demonstrations in Hong Kong (during which the police made a number of arrests): the Godber episode endangered the Government's bland front on corruption, and the move against him was taken only to head off more popular protest over corruption. For the 30 resignations (immediately below), see *TKP*, No. 391 (November 15-21, 1973), p. 15.

30. Testimony of former Inspector in the Anti-Corruption Branch on Granada TV's 'World In Action' "The Squeeze", October 1973.
31. *FEER*, March, 25, 1974. Focus on Hongkong, p.11; the *Review's* Open Letter to the Governor in this issue represents fairly clearly the concerns of the relatively advanced sector of the ruling bourgeoisie in the Colony – more "enlightened" than the civil service, but essentially concerned with trying to straighten things out in the interests of capitalism. The Governor himself contributes a foreword to the issue. The differences between these two texts illuminte the contradictions within the ruling group.
32. Hong Kong Government, *Hong Kong 1974, Report for the Year 1973,* (Hong Kong,1974), p. 156.
33. See Nigel Disney, "Hong Kong: The Military Base", in AREAS, *Hong Kong,* p. 97.
34. *The Times,* April 14, 1973; there is an excellent piece on Britain's use of Nepalese mercenaries by T.D. Allman in the *Guardian* June 14, 1974 ("Remittance men of war"); Allman is highly criticial of "British participation in a practice that – like slavery, prostitution and opium-growing, – has been a feature of the international misuse of poor and isolated tribal peoples for centuries". It may be noted that Britain used Sikh troops to seize the "New Territories" in 1898.
35. Nicholas C. Owen, "Economic Policy in Hong Kong," in Hopkins, ed., *Hong Kong: The Industrial Colony,* p. 143; we are indebted to Owen for the useful concept of a transferred economy.
36. In June 1974 the Hong Kong Government deported to Saigon 118 ethnic Chinese seeking refuge from the Thieu régime. Some of the 118 were Hong Kong-born; others were minors. The deportation was carried out in spite of the fact that many or all of the refugees faced persecution on their return: one was sentenced to life imprisonment in early July 1974. The deportation of at least some of the refugees was also probably carried out in contravention of Hong Kong's own laws. In 1970, too, Hong Kong refused entry to two eminent ethnic Chinese journalists from the Philippines, Quintin and Rizal Yuyitung, who had applied for permission to enter Hong Kong because the Manila Government was about to deport them to Taiwan where they clearly faced incarceration and possible death – this for alleged offences committed *outside* Taiwan and in spite of the fact that the Yuyitung brothers did not come from Taiwan. On the movement of people to Hong Kong, see Walker, *Under the Whitewash,* pp. 3-9.
37. Watergate has revealed a representative segment of Cuban émigrés: the legmen for the CIA and the Plumbers (Martinez, Sturgis, et al.), Nixon's financial associate, Bebe Rebozo, and Nixon's valet, Manolo Sanchez.
38. Information here and immediately below from Joe England, "Industrial Relations in Hong Kong," in Hopkins, ed., *Hong Kong,* especially pp. 224-227; cf. Owen, "Economic Policy," ibid., pp. 148ff; and Jon Halliday, "Hong Kong: The Economy," in AREAS, *Hong Kong,* pp. 35ff.
39. England, "Industrial Relations," p. 226.
40. For the list of ILO Conventions which London refuses to ratify for Hong Kong, see Appendix IV. In 1973 after Police Chief Superintendent Peter Godber had fled to England he wrote to one of his friends in the force, Superintendent Lloyd, asking him to tidy up his effects and ship them back to the U.K. "by a non-conference ship – it's cheaper" (quoted in the *Sunday Times,* July 29, 1973).
41. Laurence C. Chau, "Estimates of Hong Kong's Gross Domestic Product, 1959-69," *Hong Kong Economic Papers,* No. 7 (1972), is an extremely valuable attempt to assess GDP, comparing and revising the earlier estimates of Chou, Szczepanik, Chang and others.
42. Tong-yung Cheng, "Hong Kong: A Classical Growth Model: A Survey of Hong Kong Industrialisation 1948-68," *Weltwirtschaftliches Archiv,* Band 104, Heft 1 (1970), p. 140 [in English].
43. In June 1974 the Government introduced a new bill, the Companies (Amendment) Bill, to oblige companies to disclose more information than in the past. The Bill obliges companies for the first time to prepare their audited accounts in a consolidated form; it also means directors have to give more information to shareholders (but not the size of directors' holdings in a company). There are three gaping loopholes in the Bill: shareholders in private companies can vote to exclude themselves from being covered by many of the Bill's provisions; the Financial Secretary is given broad discretionary powers to modify

the Bill's application to individual companies; and banking, insurance and shipping firms are exempted from some of the Bill's requirements on reporting. See *Hong Kong Government Gazette,* Legal Supplement No. 3, 21st June 1973, and *FEER,* July 1, 1974, p. 61.

44. Ivan Fallon, "The British 'Hongs' Push Harder in the Scramble for Eastern Wealth", *The Director,* May 1974; the *Times,* March 13, 1973.
45. Information on Jardines from Allan T. Demaree, "The Old China Hands Who Know How to Live with the New Asia", *Fortune,* November 1971. Interesting information on Jardines and on the Keswick brothers who control the conglomerate in Paul Ferris, *The City,* (London, 1964), chapter on the Bank Rate Tribunal.
46. Cited in Demaree, "The Old China Hands Who Know . . . " p. 134.
47. *The Times,* December 13, 1973.
48. Halliday, "Hong Kong: The Economy", pp. 39ff.
49. *Pacific Imperialism Notebook,* March 1974, p. 54.
50. Inter alia, this is in line with Japan's current policy of trying to export high-polluting industries to neighbouring countries; it also, of course, helps make it appear that Japan's trade imbalance is less acute than it otherwise would be.
51. Information below from England, "Industrial Relations".
52. *Hansard* (Commons), March 20, 1974, Cols. 99-104; cf. Appendix IV.
53. Robin Porter, *Child Labour in Hong Kong in the 1970's and Related Problems: a brief review* (MS, April 1974), is an outstanding article on the relationship between the lack of social services, governmental protection and exploitation. It may also be noted that in the late 1960s Hong Kong quite likely had the highest TB rate in the world, with an estimated 2% of the population needing treatment (Portia Ho, "The Struggle for Air", in Jarvie and Agassi, eds., *Hong Kong,* p. 317).
54. Information here and immediately below from England, "Industrial Relations", p. 208; the 1971 Census showed that 174,439 workers were working at least 75 hours per week, and 13,792 of these were working at least 105 hours per week (*Hong Kong Census 1971; Population and Housing, Main Report,* Table 31, p. 132, cited by Porter, *Child Labour in Hong Kong,* p. 18.).
55. K. Cheval, "Social Conditions", in AREAS, *Hong Kong,* p. 70.
56. This and information below from Porter, *Child Labour in Hong Kong,* pp. 12-15, 26.
57. England, "Industrial Relations", p. 251; of the 9,002 factories that were known in the Colony at the end of 1965, only 5,560 were registered under the Factories and Industrial Undertakings Ordinance – i.e. only about 60%.
58. *TKP,* November 23, 1972, p. 12. The letter is reproduced in full on p. 27.
59. Cited in Porter, *Child Labour in Hong Kong,* p. 7; information immediately below from Porter, *ibid,* p. 5.
60. Owen, "Economic Policy" in Hopkins, ed., *Hong Kong,* pp. 189-190 and 202-206.
61. Owen, *ibid.,* p. 187.
62. Porter, *Child Labour in Hong Kong,* pp. 15-18, is an extremely valuable discussion of the relationship between wages and the cost of living. Government estimates consistently underweight the importance of rent and transportation costs, particularly.
63. *Report by the Inter-Departmental Working Party to Consider Certain Aspects of Social Security* (Hong Kong, 1967), pp. 28, 99, cited in Porter, *Child Labour in Hong Kong,* p. 19.
64. *Hong Kong 1974,* p. 186.
65. The squatter population probably increased from about 400,000 in 1969 to some 500,000 in September 1971 (Cheval, "Social Conditions", p. 65; the *Times,* 10 September 1971, Supplement on Hong Kong, p.8).
66. *South China Morning Post,* 9 December 1971.
67. Judith Agassi, "Housing the Needy", in Jarvie and Agassi, eds., *Hong Kong,* p. 248.
68. Cheval, "Social Conditions", p. 69. It should also be noted that the Government's programme of building resettlement estates started after a big squatter fire in 1953 which made 50,000 people homeless in a single day; the resettlement programme worked out much cheaper than welfare programmes for squatters; by removing squatters the Government released large tracts of land for industrial and commercial use on which it made a hefty profit; squatter fires carried a high risk of political disorder, and the resettlement estates have been built to facilitate control by police in case of upheavals. See Cheval, "Social Conditions", and Keith Hopkins, *Public Housing Policy in Hong Kong,* (University of Hong Kong, Centre of Asian Studies Reprint Series No. 7, May 1969), especially, pp. 2-3.
69. *South China Morning Post,* 27 April 1972.
70. In the New Territories, which are leased *(free)* from China, the Government sublets, the leases running up to the expiry date in 1997. Nor has the Government done much to

protect tenants: just in the period 1962-66 more than one-fifth of the metropolitan population was compulsorily evicted from their dwelling-places (Keith Hopkins, "Preface", in Hopkins, *Hong Kong*, p. xv).

71. Owen, "Economic Policy" in Hopkins, *Hong Kong*, p. 179.
72. *Newsweek*, 24 January 1972; for an attempt to assess the Hong Kong-U.K. relationship, see Halliday, "Hong Kong: The Economy", pp. 43-45.
73. Anon., "Overseas sterling balances 1963-1973", *Bank of England Quarterly Bulletin*, Vol. 14, No. 2 (June 1974), pp. 162ff. has some useful information, but does not give exact figures for Hong Kong; the figures for the "Far East" on p. 173 can presumably be largely accounted for by Hong Kong and Brunei. In December 1973 the *Sunday Times* reported that Hong Kong had been selling a lot of sterling in recent weeks. "This startling and unexpected threat to the pound," as the *Sunday Times*, called it, produced a new agreement much more favourable to Hong Kong. This selling, it went on, "represents a major rift between the UK and the Crown colony" (*Sunday Times*, December 16, 1973).
74. See the *Times*, March 16, 1973, and the *Observer*, March 18, 1973.
75. *Financial Times*, April 25, 1973; *Newsweek*, January 22, 1973.
76. Much more could be said on the Hong-Kong-Middle East relationship, a subject which urgently needs exploring.
77. As of July 1974, discussions were under way in the EEC to relax Hong Kong's exclusion at least as far as footwear is concerned (*FEER*, July 8, 1974, p. 32).
78. ". . . in this category I include not only the settlers but a whole import-export world, including the local staff of the great home-based companies and the colonial civil servants (at any rate the lower grades), not forgetting the agents and backers of these interest-groups in the parent country." (Arghiri Emmanuel, "White-Settler Colonialism and the Myth of Investment Imperialism", *New Left Review*, No. 73, May-June 1972, p. 38).
79. Emmanuel, *ibid.*
80. By political asset is meant that Britain can "swop" the fact that it controls Hong Kong for other benefits for itself; the fact that both the U.S.A. and Japan are reaping huge profits in Hong Kong must be an important factor in British diplomacy.
81. See the *Times*, November 13, 1972 ("Mr. Powell arouses fears in Hongkong"): "The Government is refusing to provide local journalists with more than a bare minimum of information about the status of British subjects born or naturalised in the colony for fear of stirring up a political crisis."
82. Commentator, "Hong Kong is Chinese Territory", *Renmin Ribao*, 20 August 1967; text here as given in Jerome Alan Cohen and Hungdah Chiu, *People's China and International Law: A Documentary Study* (Princeton, Princeton University Press, 1974), Vol. 1, pp. 382-3. Full text in Appendix I below.
83. *Renmin Ribao*, editorial, 8 March 1963; fuller extract in Appendix I below.
84. *Peking Review*, No. 27, 1967, p. 25.
85. Letter dated March 8 1972 (UN. Document A/AC.109/396). Text in full in Appendix I. As is clear from a reading of the full text, it is not that China is quibbling over whether Hong Kong is actually *in a colonial situation*, in the sense that it is occupied by the British. Rather, it is that the UN Committee on Decolonisation concerns itself with the *independence* of colonies, whereas China is referring to a different process, the *restoration* of part of its territory – a purely internal matter.
86. There is a good discussion of this and other issues in Gary Catron, "Hong Kong and Chinese Foreign Policy, 1955-60", *China Quarterly*, No. 51 (July-September 1972), pp.407-409.
87. New China News Agency release, 10 September 1956, cited in Catron, "Hong Kong and Chinese Foreign Policy", p. 415. In January 1963 China made a protest against demolition of premises in Kowloon City specifically on the grounds that Kowloon City (which remained a Chinese enclave under the original lease) was Chinese, in the sense of not being part of Hong Kong "colony". See New China News Agency statement of January 17, 1963 in Cohen and Chiu, *op.cit.*, Vol. 1, p. 377.
88. Catron, "Hong Kong and Chinese Foreign Policy", p. 424.
89. Catron, *ibid.*, p. 415.
90. Hopkins, *Public Housing Policy in Hong Kong*, p. 2, citing Hambro, "The Problem of Chinese Refugees in Hong Kong".
91. *Peking Review*, August 4, 1972, p. 18.
92. See Catron, *op.cit.*, p. 409.
93. See the *Financial Times*, April 13, 1973.
94. *Economist*, April 28, 1973.
95. Quoted in the *Times*, November 3, 1972.

96. Quoted in the *Times*, November 4, 1972.
97. Quoted in the *Times*, November 16, 1972.
98. On the use of Hong Kong for espionage and "China-watching", see John Gittings, "China-watching in Hongkong", *Journal of Contemporary Asia*, Vol. 2, No. 4 (1972). For the military use, see Disney, *op. cit.*, Interestingly, one of the centres for Kuomintang agents in Hong Kong has been the studios of Run Run Shaw, himself the purveyor of noxious "culture" throughout much of the world.
99. P.B. Harris, "The International Future of Hongkong", *International Affairs*, January 1972, p. 64. In other ways, this is a very interesting article; in particular, it criticises from a *bourgeois* standpoint the argument that China tolerates Hong Kong for economic reasons; Harris insists on the fact that it is politics which determines China's attitude.
100. *FEER*, April, 1, 1974.
101. Catron, *op. cit.*, p. 422, citing Alexander Eckstein, *Communist China's Economic Growth and Foreign Trade* (New York, McGraw-Hill, 1966), p. 198.
102. Quoted in *TKP*, No. 334 (October 5, 1972), p. 16.
103. *FEER*, May 13, 1974, p. 22.
104. The editorial from the *People's Daily* of March 8, 1963 (see Appendix) explicitly emphasizes that China has "only one standard . . . Marxism-Leninism, proletarian internationalism . . ."
105. In fact the position adopted by some in Britain is close to that adopted by Khrushchov, a kind of ultra-left Oblomovism: in essence, it amounts to saying to the Chinese: "because you have struggled hard and successfully and made your Revolution, while we have not struggled hard or successfully and have not made our Revolution, you therefore have more responsibility than us, and even must do our work *for* us." Nothing could be further from the spirit of proletarian internationalism than this.

Appendix 1: The British and Chinese Positions on Hong Kong

The British Government's Position on Hong Kong

On 30 April 1974 in a written answer to a question about what stage of further constitutional advance was proposed for Hong Kong, Mr. David Ennals, on behalf of the Secretary of State for Foreign and Commonwealth Affairs replied:

> "The circumstances of Hong Kong are special and make very difficult any constitutional progress on the path customarily followed by Dependent Territories. The situation is well understood locally."[1]

On 27 March 1974, Mr. A. Royle, formerly the Conservative Minister with responsibility for Hong Kong, asked Mr. Ennals in an oral question (*apparently, but not explicitly,* referring to military matters only):

> "Will the right hon. Gentleman [Mr. Ennals] confirm that Her Majesty's Government are determined to support Hong Kong, to stay in Hong Kong and to maintain the garrison in that colony?"

Mr. Ennals [apparently in the context of the Labour Government defence review]:

> ". . . Before the hon. Gentleman leaps to his feet, I can assure him that no changes will be made affecting any part of the world without the fullest consultation with our allies and the occupants of the area."

After another question and answer Sir Alec Douglas-Home asked:

> "Does the right hon. Gentleman [Mr. Ennals] recall that when his party, in earlier years proposed to withdraw from east of Suez, it never proposed to withdraw from Hong Kong? Does he recognise, also, the absolute importance of maintaining confidence in Hong Kong?"

Mr. Ennals:

> "I can give the right hon. Gentleman that assurance. There is no doubt that Her Majesty's Government's commitments to Hong Kong will remain, and there is no suggestion at all that our presence in Hong Kong should be withdrawn."[2]

On 26 April 1967 Judith Hart, then Minister of State for Commonwealth Affairs, said in the House of Commons:

> "We start from a recognition of the fact that Hong Kong is quite different from any other of our Colonies. As I said in a previous debate . . . because of Hong Kong's special position, it is not possible to think of normal self-government in

terms of an elected Legislative Council. But this does not mean that we cannot envisage a considerable and meaningful extension of democracy at the local government level."[3]

It should be emphasised that Britain does not accept China's position on Hong Kong.

FOOTNOTES

1. *Hansard* (Commons), 30 April 1974, Col. 444.
2. *Hansard* (Commons), 27 March 1974, Cols. 436-438. One would like to know who Ennals means by "the occupants of the area."
3. *Hansard* (Commons), 26 April 1967, Cols. 1789-1790.

China's Position on Hong Kong

The three texts below, dating from 1963, 1967 and 1972, state clearly China's position on Hong Kong, setting the question in its historical and political context.

"A Comment on the Statement of the Communist Party of the USA"[1]

With an ulterior purpose, the statement of the CPUSA referred to Taiwan, Hong Kong, and Macao. It said that the Chinese comrades were "correctly not following the adventurous policy in Taiwan, Hong Kong, and Macao that they advocate for others. Why this double standard approach?"

We know from what quarter they have learned this ridiculous charge. And we know, too, the purpose of the person who manufactured it.

Here we should like to answer all those who have raised this matter.

For us there never has been a question of a "double standard". We have only one standard, whether dealing with the question of Taiwan, whether dealing with the questions of Hong Kong and Macao, or whether dealing with all international questions, and that standard is Marxism-Leninism, proletarian internationalism, the interests of world peace, and the revolutionary cause of the people of all countries. In international struggles we are opposed both to adventurism and to capitulationism. These two hats can never fit our heads.

Inasmuch as some persons have mentioned Taiwan, Hong Kong, and Macao, we are obliged to discuss a little of the history of imperialist aggression against China.

In the hundred years or so prior to the victory of the Chinese revolution, the imperialist and colonial powers – the United States, Britain, France, Tsarist Russia, Germany, Japan, Italy, Austria, Belgium, the Netherlands, Spain and Portugal – carried out unbridled aggression against China. They compelled the governments of old China to sign a large number of unequal treaties: the Treaty of Nanking of 1842, the Treaty of Aigun of 1858, the Treaty of Tientsin of 1858, the Treaty of Peking of 1860, the Treaty of Ili of 1881, the Protocol of Lisbon of 1887, the Treaty of Shimonoseki of 1895, the Convention for the Extension of Hong Kong of 1898, the International Protocol of 1901, and others. By virtue of these unequal treaties, they annexed Chinese territory in the north, south, east, and west and held leased territories on the seaboard and in the hinter-

land of China. Some seized Taiwan and the Penghu Islands, others occupied Hong Kong and forcibly leased Kowloon, still others put Macao under perpetual occupation, and so forth.

At the time the People's Republic of China was inaugurated, our government declared that it would examine the treaties concluded by previous Chinese governments with foreign governments, treaties that had been left over by history, and would recognise, abrogate, revise, or renegotiate them according to their respective contents. In this respect, our policy towards the socialist countries is fundamentally different from our policy towards the imperialist countries. When we deal with various imperialist countries, we take differing circumstances into consideration and make distinctions in our policy. As a matter of fact, many of these treaties concluded in the past either have lost their validity, or have been abrogated or have been replaced by new ones. With regard to the outstanding issues, which are a legacy from the past, we have always held that, when conditions are ripe, they should be settled peacefully through negotiations and that, pending a settlement, the status quo should be maintained. Within this category are the questions of Hong Kong, Kowloon, and Macao and the questions of all those boundaries which have not been formally delimited by the parties concerned in each case . . .

Why is it that after the Caribbean [Cuban missile] crisis this correct policy of ours suddenly became a topic of discussion among certain persons and a theme for their anti-China campaign?

These heroes are apparently very pleased with themselves for having picked up a stone from a cesspool, with which they believe they can instantly fell the Chinese. But whom has this filthy stone really hit?

You are not unaware that such questions as those of Hong Kong and Macao relate to the category of unequal treaties left over by history, treaties which the imperialists imposed on China. It may be asked: In raising questions of this kind, do you intend to raise all the questions of the unequal treaties and have a general settlement? Has it ever entered your heads what the consequences would be? Can you seriously believe that this will do you any good?

Superficially, you seem to agree with China's policy on Hong Kong and Macao. Yet, you compare it with India's liberation of Goa. Anyone with a discerning eye can see at once that your sole intention is to prove that the Chinese are cowards. To be frank, there is no need for the Chinese people to prove their courage and staunchness in combating imperialism by making a show of force on the questions of Hong Kong and Macao. The imperialists, and the US imperialists in particular, have had occasion to sample our courage and staunchness. Shoulder to shoulder with the Korean people, the finest sons and daughters of the Chinese people fought for three years and shed their blood on the battlefields of Korea to repulse the US aggressors. Don't you feel it "stupid" and "deplorable" on your part to taunt us on the questions of Hong Kong and Macao?

We know very well, and you know, too, that you are, to put it plainly, bringing up the questions of Hong Kong and Macao merely as a fig leaf to hide your disgraceful performance in the Caribbean crisis. But all this is futile. There is an objective criterion for truth, just as there is for error. What is right cannot be made to look wrong; nor can wrong be made to look right. To glory in your disgraceful performance will not add to your prestige. How can the correct policy of the Chinese people on the questions of Hong Kong and Macao be mentioned in the same breath with your erroneous policy in the Caribbean crisis? How can such a comparison help you to whitewash yourselves?

"Hong Kong is Chinese Territory"[2]

The British imperialist radio stations and newspapers in Hong Kong have recently been frenziedly babbling that Hong Kong is "British territory", that members of people's communes in Kwangtung Province [have been] "encroaching upon" [what is] "British territory" when they went to farm their land in the "New Territories", and that the Chinese people were "interfering with the domestic affairs of Hong Kong" when they support their fellow countrymen there in their struggle against British atrocities. This is nothing but gangsters' language; it is a grave provocation against the Chinese people.

Hong Kong has been Chinse territory since ancient times. This is a fact known to all, old and young, in the world. More than a century ago, British imperialism came to China by pirate ships, provoked the criminal "opium war", massacred numerous Chinese people, and occupied the Chinese territory of Hong Kong. Later it snapped [up] the Chinese territory of Kowloon and the Chinese territory of the "New Territories". This is an enormous blood debt British imperialism owes to the Chinese people. Sooner or later, the Chinese people will make a thorough-going liquidation of this debt with British imperialism.

Because Hong Kong has always been Chinese territory and was occupied by the British imperialists, the peasants of Kwangtung Province living near the "New Territories" have for generations tilled the land there. Now the British imperialists have gone so far as to call this an "encroachment upon British territory." This is absolutely preposterous! Have members of our people's communes gone to till the land on the British Isles? They have not taken a step out of their own country. On the contrary, it is the British imperialists who have come from thousands of miles away to seize our land by force and kill our compatriots. We must tell the British imperialists that not only have the Chinese peasants the right to till the land in the "New Territories", but the whole of Hong Kong must return to the domain of the motherland.

This is not the old era when the British colonialists seized Hong Kong by force. Our compatriots in Hong Kong have the powerful backing of their strong socialist motherland. How can it be imagined that Hong Kong will always be under the rule of British imperialism? Of course it can't; it is absolutely unthinkable. It is idiotic wishful thinking for the British imperialists to imagine that they can prevent the great Chinese people from assisting their Hong Kong compatriots' fight against British violence. Hong Kong is an inalienable part of Chinese territory, and our compatriots in Hong Kong are blood brothers and sisters of the Chinese people. The Chinese people cannot possibly turn a deaf ear to the British imperialists' fascist atrocities of barbarously suppressing our countrymen in Hong Kong.

Today the fate of Hong Kong is in the hands of the Chinese people and our countrymen in Hong Kong. Hong Kong's affairs must be decided by the Chinese people and our countrymen in Hong Kong. It is absolutely impermissible for British imperialism to ride roughshod over Hong Kong!

"Letter dated 8 March 1972 from the Permanent Representative of China to the United Nations addressed to the Chairman of the Special Committee [of 24]"[3]

In connection with the questions of Hong Kong and Macau, I have the honour to state the following:

As is known to all, the questions of Hong Kong and Macau belong to the

category of questions resulting from the series of unequal treaties left over by history, treaties which the imperialists imposed on China. Hong Kong and Macau are part of Chinese territory occupied by the British and Portuguese authorities. The settlement of the questions of Hong Kong and Macau is entirely within China's sovereign right and does not at all fall under the ordinary category of "colonial Territories". Consequently, they should not be included in the list of colonial Territories covered by the Declaration on the Granting of Independence to Colonial Countries and Peoples. With regard to the questions of Hong Kong and Macau, the Chinese Government has consistently held that they should be settled in an appropriate way when conditions are ripe. The United Nations has no right to discuss these questions. For the above reasons, the Chinese delegation is opposed to including Hong Kong and Macau in the list of colonial Territories covered by the Declaration and requests that the erroneous wording that Hong Kong and Macau fall under the category of so-called "colonial Territories" be immediately removed from the documents of the Special Committee and all other United Nations documents.

(Signed) Huang Hua
Permanent Representative of
the People's Republic of China
to the United Nations.

FOOTNOTES

1. Editorial in the *People's Daily (Renmin Ribao)*, 8 March 1963; in English in *Peking Review*, March 15, 1963.
2. Article signed "Commentator" (signifying an authoritative statement), *People's Daily* 20 August 1967; in English in New China News Agency, Peking, 20 August 1967. Text here as given in Jerome Alan Cohen and Hungdah Chiu, *People's China and International Law; A Documentary Study* (Princeton, Princeton University Press, 1974), Vol. 1, pp. 382-3.
3. United Nations document A/AC.109/396. The full name of this Committee is: The Special Committee on the Situation with Regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. This Committee is usually referred to as the Special Committee of 24 or, somewhat misleadingly, as the Committee on Decolonisation.

Appendix 2: The Hong Kong Government and Social Security

Abbreviation of Chapter 27, "Summary of Suggestions", (p. 219-223) of the *Report by the Inter-Departmental Working Party to Consider Certain Aspects of Social Security,* Hong Kong, 1967. Along with appropriate sections of the "Statement by the Hon. Colonial Secretary made in the Legislative Council on 10th April 1968" on tabling the Report (p. 1-2), and some remarks taken from the body of the Report.

> "It is almost certain that any proposals for the development of a social security programme for Hong Kong will be met in a number of quarters with strong representations on the grounds that Hong Kong cannot indulge in such a luxury. To this will almost certainly be added the argument that Hong Kong is different from anywhere else in the world." – "Report . . . " 1967, p. 97.

> ". . . so long as the opinion prevails that Hong Kong's economy is absolutely unique and that it can never conform in even a slight degree to the general pattern of economic development which has been shown to exhibit markedly common characteristics in the world as a whole, it is unlikely that any real change can take place." – Lady Gertrude Williams, *Report on the Feasibility of a Survey into Social Welfare Provision and Allied Topics in Hong Kong* (Hong Kong, Government Printer, 1966), p. 11, cited in "Report .... " 1967, p. 98.

> "This is a useful report, on which we shall welcome the comments of Honourable Members and of the public, and it is already being studied by the departments concerned.
>
> I must, however, sound a word of warning. Honourable Members will not, I think, imagine that all the suggestions in this report will, upon closer examination, prove possible or capable of implementation, or indeed prove beneficial in the circumstances of Hong Kong. Some of them may well prove to be financially impossible." – Statement by the Colonial Secretary, p. 1.

Recommendations

✓ – achieved by 1974
✗ – not achieved by 1974
? – no information to hand as of April 1974

A. *Improvements which may be made Immediately or Reasonably Soon.*

NOTE: Italics added

27.2 pending possible introduction of social insurance for *medical care,* collect *higher charges* from those who can afford to pay, or where ? there is clear obligation on another party to pay for treatment.

Colonial Secretary – *"being carefully examined"*

27.3 a right to adequate *maternity leave,* and protection from loss of employment due to pregnancy or confinement, through labour legislation (*no* ✓ *financial provision*)

Colonial Secretary – *"being carefully examined"*

27.4 – amendment of *Workmen's Compensation Ordinance,* and subsidiary ✓ legislation, to

✓ a. raise the earnings ceiling for coverage by this legislation from HK$700 at which it was fixed in 1953 to HK$1500, to take account of the increase in wages and cost of living

✓ b. include domestic servants

✓ c. discontinue exemption of agricultural workers

? d. include some servants of the Crown at present excluded

? e. set a lower limit to compensation payable so that calculation of benefit on a basis of earnings lower than subsistence level should not be permissible

? f. ensure that compensation for permanent incapacity is not diminished by benefits properly relating to temporary incapacity

g. make the employer, who is liable for paying compensation in case of ? employment injury, also responsible for the cost of medical care as a ✓ result of that injury and of any necessary prosthesis

h. create a suspended provision (to be brought into force in case of need) ✓ for compulsory insurance with private insurers against all liabilities

i. increase maximum amounts of compensation in proportion to the ✓ suggested raising to HK$1500 of the earnings ceiling

j. increase the periodical payments for total temporary incapacity from ✓ one-half to two-thirds of earnings

Colonial Secretary – all *"being carefully examined"*

27.5 – three immediate ways of improving *security of employment* are suggested:

1. all employment other than that of an essentially casual nature should ✓ only be terminable with at least *one week's notice,* or wages in lieu
2. legislation to require employers to make *redundancy payments* to ? employees with long service who are discharged in defined circumstances, including insolvency of the employer
3. possible amendment of bankruptcy and company legislation to give ? greater *preference and protection* to arrears of wages, wages in lieu of notice, and redundancy payments

Colonial Secretary – *"being carefully examined"*

B. *New Schemes:*

27.7 X – "Our first general suggestion was that the *progressive developments of social insurance* should be accepted in principle."

. . . *ignored*

27.8 X – as "first priority" a scheme of social insurance for *sickness benefit,* compulsory for all persons employed on contract below a certain level of income, possibly to be extended to higher income groups and to the self-employed

Colonial Secretary –
the Government would "examine more closely" these proposals, but "I must confess that I see some *formidable difficulties* in devising a scheme which would not be susceptible to fraud or be impossibly expensive."

27.9 X – a social insurance scheme to pay for *medical care,* to be introduced concurrently with sickness benefit

Colonial Secretary –
"In the Hong Kong context I have *serious doubts* about the practicability of the proposal for social insurance for medical care . . . "

27.10 X – as "second priority", social insurance for old age and survivorship benefit, i.e. an *old age pension* for men and women over a certain age, having "special regard to the need of widows with young children"; also, transitory provisions for those already too old or for other reasons unable to contribute to such a scheme.

Colonial Secretary –
"In the Hong Kong context I have *serious doubts* also . . . about the general acceptability of the proposal for social insurance for old age and survivorship benefit."

27.11 X – new ways and means of *assisting* ("not necessarily by direct financial aid") *widows,* especially those with young children

Colonial Secretary –
"I agree with the Working Party that we should *explore new ways* of assisting widows, especially those with young children"

(*as of 1974 the Government was still exploring*)

27.12 X – in future, *a comprehensive range of injury benefits* related to earnings, and *pensions in cases of serious incapacity or death,* to replace benefits provided in the interim by modifications to the Workmen's Compensation Ordinance as in 27.4 above; the cost to be borne by the employer

Colonial Secretary –
"I agree . . . also [with] the proposal for social insurance for employment injury benefit, *although I doubt whether we could go so far as to substitute commercial insurance by national insurance."*

27.13 ✗ – a scheme of social insurance to provide *cash maternity benefit* should be *an aim of policy,* but should *not be regarded as an urgent need*

27.14 ✓ – further special investigation of possible need for social insurance to provide a *cash benefit for invalidity*

27.15 ✗ – consideration to *redundancy payments,* by extra levy on the employer, in defined circumstances similar to those established by the Redundancy Payments Act, U.K., 1965

27.16 ✗ – "*Unemployment benefit insurance* should be kept in mind as an aim of policy for introduction when economic conditions are sufficiently favourable, and when social insurance for more urgent contingencies has been successfully established

Colonial Secretary:
"The Working Party finally recommends as general aims for the future, social insurance for cash maternity benefit, invalidity benefit, and unemployment benefit, and the establishment of a redundancy fund. *I cannot hold out much hope of our being able to implement such schemes in the foreseeable future.*"

27.17 ✗ – *a modern and uniform system of public assistance* from public funds and supporting services should be set up to alleviate hardship from destitution and to provide suitable transitory benefits pending the operative effect of social insurance for old age, survivorship, and for invalidity

Colonial Secretary –
"As regards public assistance, however, we are *already reviewing current policy.*"

C. *Steps to be Taken Towards the Introduction of New Schemes*

27.19 ✗ – *a full-time commission* should be set up to work out a programme of social security for Hong Kong

Colonial Secretary –
"While, as I have said, we now intend to examine these proposals in turn in greater detail, *I do not consider that such examination would be assisted by the appointment of a full-time commission* as the Working Party suggested."

27.20 ? – *a research unit* should be set up as a matter of urgency *to enquire into outworkers and subsistence living,* and also to carry out the other pre-

liminary investigations and surveys suggested as being necessary in our report

Colonial Secretary –
"I am, on the other hand, *fully in agreement* with the proposal to set up a research unit to obtain further basic information upon which any schemes of this nature must surely be founded. I hope that it may be possible to obtain some specialist assistance in this field."

27.21 – *suitable minimum wage legislation* should be prepared for use if this is found to be necessary by investigations, including those relating to outworkers and subsistence living
X

Colonial Secretary –
"*The Working Party may be thought to have strayed beyond its terms of reference* in suggesting minimum wage legislation, especially when such a policy could well result in unemployment."

27.22 – *a critical review* of the manner in which public money is dispersed on social services should be undertaken with due regard to the need for a planned social security programme such as we have suggested, and to certain financial advantages which this could bring
✓

Colonial Secretary –
"I agree, however, with the final recommendation that *public expenditure on social services should be reviewed.*"

Appendix 3: The Hong Kong Government and Social Welfare

In 1973 the Hong Kong Government published a pamphlet entitled *Social Welfare in Hong Kong: the Way Ahead*, in which it outlined its "Five Year Plan for social welfare development", 1973-1978. The Plan envisages some progress in each of the Social Welfare Department's five divisions – group and community work, family services, probation and corrections, social security, and rehabilitation,

> ". . . the sum of the proposals constitutes a practical but far reaching programme of social welfare development – a programme, moreover, which meets Hong Kong's particular needs." (p. 31)

The totality of the Government's social security proposals for 1973-1978 are described below:

> "a. To establish a balanced social security system, tailored to Hong Kong's needs. The system will operate in three ways:
>
> i. emergency relief to victims of disasters
> ii. a means-tested public assistance scheme to guarantee an acceptable level of income to those in the community who have the least money. The scheme will be reviewed annually to ensure it continues to work effectively.
> iii. non-contributory schemes to assist the most 'vulnerable groups' in the community. The first groups to be helped will be the severely disabled and those over 75 years of age. Should this new scheme prove to be successful, it will be extended to other groups such as widowed mothers with young children and the chronically sick.
>
> All of these schemes will be the Government's direct responsibility." (p. 29)

Appendix 4: ILO Conventions as Ratified for the UK and as Applied in Hong Kong

Convention Number	Title	Position in respect of United Kingdom	Declarations registered in respect of Hong Kong
2	Unemployment 1919	Ratified on 14th July 1921	Decision reserved 4th February 1963
5	Minimum Age (Industry) 1919	Ratified on 14th July 1921	Applied without modification 4th June 1962
7	Minimum Age (Sea) 1920	Ratified on 14th July 1921	Applied without modification 4th June 1962
8	Unemployment Indemnity (Shipwreck) 1920	Ratified on 12th March 1926	Applied without modification 20th August 1963
10	Minimum Age (Agriculture) 1921	Ratified on 11th July 1963	Decision reserved 18th December 1963
11	Right of Association (Agriculture) 1921	Ratified on 6th August 1923	Applied without modification 4th June 1962
12	Workmen's Compensation (Agriculture) 1921	Ratified on 6th August 1923	Applied without modification 23rd November 1973
15	Minimum Age (Trimmers and Stokers) 1921	Ratified on 8th March 1926	Applied without modification 27th March 1950*
16	Medical Examination of Young Persons (Sea) 1921	Ratified on 8th March 1926	Applied without modification 27th March 1950*
17	Workmen's Compensation (Accidents) 1925	Ratified on 28th June 1949	Decision reserved 27th March 1950*
19	Equality of Treatment (Accident Compensation) 1925	Ratified on 6th October 1926	Applied without modification 27th March 1950*
21	Inspection of Emigrants 1926	Conditionally ratified on 16th September 1927 and not yet in effect	
22	Seamen's Articles of Agreement 1926	Ratified on 14th June 1929	Applied with modification 12th June 1964
24	Sickness Insurance (Industry) 1927	Ratified on 20th February 1931	Decision reserved 4th February 1963
25	Sickness Insurance (Agriculture) 1927	Ratified on 20th February 1931	Decision reserved 4th February 1963
26	Minimum Wage-Fixing Machinery 1928	Ratified on 14th June 1929	Applied without modification 4th June 1962
29	Forced Labour 1930	Ratified on 3rd June 1931	Applied without modification 3rd June 1931
32	Protection against Accidents (Dockers) (Revised) 1932	Ratified on 10th January 1935	Decision reserved 4th February 1963
35	Old-Age Insurance (Industry etc) 1933	Ratified on 18th July 1936	Decision reserved 13th April 1964

36	Old-Age Insurance (Agriculture) 1933	Ratified on 18th July 1936	Decision reserved 13th April 1964
37	Invalidity Insurance (Industry etc.) 1933	Ratified on 18th July 1936	Decision reserved 13th April 1964
38	Invalidity Insurance (Agriculture) 1933	Ratified on 18th July 1936	Decision reserved 13th April 1964
39	Survivors' Insurance (Agriculture) 1933	Ratified on 18th July 1936	Decision reserved 13th April 1964
40	Survivors' Insurance (Agriculture) 1933	Ratified on 18th July 1936	Decision reserved 13th April 1964
42	Workmen's Compensation (Occupational Diseases) (Revised) 1934	Ratified on 29th April 1936	Applied with modification 30th March 1965
44	Unemployment Provision 1934	Ratified on 29th April 1936	Decision reserved 4th February 1963
45	Underground Work (Women) 1935	Ratified on 18th July 1936	Applied without modification 27th March 1950*
50	Recruiting of Indigenous Workers 1936	Ratified on 22nd May 1939	Applied without modification 22nd May 1939
56	Sickness Insurance (Sea) 1936	Ratified on 30th September 1944	Decision reserved 30th September 1944
63	Statistics of Wages and Hours of Work 1938	Ratified on 26th May 1947	Applied with modification 15th October 1963
64	Contracts of Employment (Indigenous Workers) 1939	Ratified on 24th August 1943	Applied without modification 24th August 1943
65	Penal Sanctions (Indigenous Workers) 1939	Ratified on 24th August 1943	
68	Food and Catering (Ships' Crews) 1946	Ratified on 6th August 1953	Decision reserved 13th February 1961
69	Certification of Ships' Cooks 1946	Ratified on 29th July 1949	Decision reserved 8th March 1961
70	Social Security (Seafarers) 1946	Ratified on 20th May 1953 (convention not yet in force due to insufficient ratifications)	Decision reserved 8th March 1961
74	Certification of Able Seamen 1946	Ratified on 13th May 1952	Decision reserved 8th March 1961
80	Final Articles Revision 1946	Ratified on 28th May 1947	Inapplicable
81	Labour Inspection 1947 (excluding Part II)	Ratified on 28th June 1949	Applied without modifications 11th July 1966
82	Social Policy (Non-Metropolitan Territories) 1947	Ratified on 27th March 1950	Applied with modifications 27th March 1950 (improved declaration under consideration)
83	Labour Standards (Non-Metropolitan Territories) 1947	Ratified on 27th March 1950	Various declarations have been made on the 13 conventions contained in the schedule of this convention (see Note below)
84	Right of Association (Non-Metropolitan Territories) 1947	Ratified on 27th March 1950	Applied without modification 27th March 1950
85	Labour Inspectorates (Non-Metropolitan Territories) 1947	Ratified on 27th March 1950	Applied without modification 27th March 1950
86	Contracts of Employment (Indigenous Workers) 1947	Ratified on 27th March 1950	Applied with modifications 27th March 1950
87	Freedom of Association and Protection of the Right to Organise 1948	Ratified on 27th June 1949	Applied with modifications 15th October 1963
92	Accommodation of Crews (Revised) 1949	Ratified on 6th August 1953	Applied with modifications 28th August 1964
94	Labour Clauses (Public Contracts) 1949	Ratified on 30th June 1950	Decision reserved 22nd March 1958
95	Protection of Wages 1949	Ratified on 24th September 1951	Decision reserved 22nd March 1958 (improved declaration proposed)
97	Migration for Employment (Revised) 1949	Ratified on 22nd January 1951	Decision reserved 16th December 1958

98	Right to Organise and Collective Bargaining 1949	Ratified on 30th June 1950	Decision reserved 29th December 1958
99	Minimum Wage-Fixing Machinery (Agriculture) 1951	Ratified on 9th June 1953	Decision reserved 29th December 1958
100	Equal Remuneration 1951	Ratified on 15th June 1971	Decision reserved 6th February 1973
101	Holidays with Pay (Agriculture) 1952	Ratified on 25th June 1956	Decision reserved 9th February 1959
102	Social Security (Minimum Standards) 1952 (excluding Parts VI, VIII and IX)	Ratified on 27th April 1954	Decision reserved 16th December 1958
105	Abolition of Forced Labour 1957	Ratified on 30th December 1957	Applied without modification 25th November 1959
108	Seafarers' Identity Documents 1958	Ratified on 18th February 1964	Applied without modification 3rd August 1964
115	Radiation Protection 1960	Ratified on 9th March 1962	Applied without modification 1st December 1965
116	Final Articles Revision 1961	Ratified on 9th March 1962	Inapplicable
120	Hygiene (Commerce and Offices) 1964	Ratified on 21st April 1967	Decision reserved 9th April 1968
122	Employment Policy 1964	Ratified on 27th June 1966	Decision reserved 21st February 1967
124	Medical Examination of Young Persons (Underground Work) 1965	Ratified on 13th December 1966	Decision reserved 12th July 1968 (improved declaration proposed)
135	Workers' Representatives 1971	Ratified on 15th March 1973	Under consideration

* Shows declarations made under Convention No. 83 — see note.

Note regarding Convention No. 83. This convention permits Member States of the ILO to make declarations on behalf of their non-metropolitan territories in respect of certain conventions which might or might not have been ratified by the member State. Convention No. 83 was ratified by the United Kingdom on 27th March 1950 but only comes into effect on 15th June 1974 following a second ratification which was registered (by Australia) on 15th June 1973.

The position in Hong Kong in relation to conventions contained in its schedule is as follows:

Convention No.	*Title*	*Declarations registered in respect of Hong Kong*
3	Maternity Protection 1919	Decision reserved 27th March 1950
14	Weekly Rest (Industry) 1921	Decision reserved 27th March 1950
15	Minimum Age (Trimmers and Stokers) 1921	Applied without modification 27th March 1950
16	Medical Examination of Young Persons (Sea) 1921	Applied without modification 27th March 1950
17	Workmen's Compensation (Accidents) 1925	Decision reserved 27th March 1950
19	Equality of Treatment (Accident Compensation) 1925	Applied without modification 27th March 1950
27	Marking of Weight (Packages Transported by Vessels) 1929	Decision reserved 27th March 1950
45	Underground Work (Women) 1935	Applied without modification 27th March 1950
58	Minimum Age (Sea) (Revised) 1936 (Article 2: Fifteen years)	Applied with modification 27th March 1950
59	Minimum Age (Industry) (Revised) 1937 (Article 2: Fifteen years)	Applied with modification 27th March 1950
77	Medical Examination of Young Persons (Industry) 1946	Decision reserved 27th March 1950
89	Night Work (Women) (Revised) 1948	Decision reserved 27th March 1950
96	Night Work of Young Persons (Industry) (Revised) 1948	Decision reserved 27th March 1950

Source: *Hansard* (Commons), 20 March 1974. Cols. 99-104.

Hong Kong: A Basic Bibliography (English Language)

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III. Specific Subjects

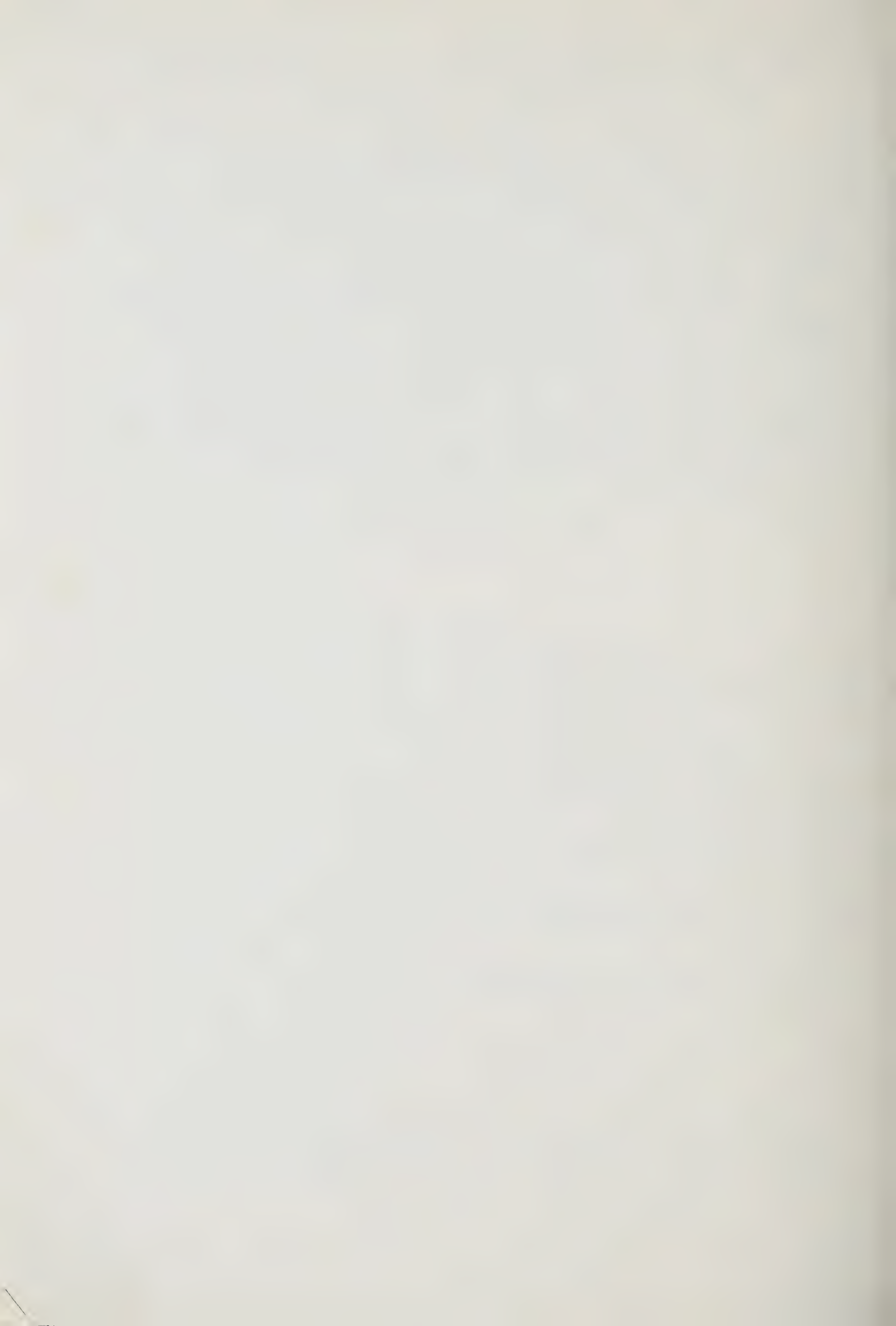
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IV. Current Developments

Useful but selective information can be found in the annual official volume issued by the Hong Kong Government, *Hong Kong 1974, Report for the Year 1973* (Hong Kong, Hong Kong Government Press, 1974): this is updated each year.

More immediate events can be followed in: *Asia Research Bulletin* (Singapore, monthly): this provides a very good digest of the latest developments; *Pacific Imperialism Notebook* (San Francisco, monthly), which concentrates on economic news; the two most useful weekly sources are the *Far Eastern Economic Review* and the *Ta Kung Pao* (English-language weekly edition). The former represents the advanced sector of the Hong Kong ruling group; the *Ta Kung Pao* is the only regular English-language source which represents the working class in Hong Kong and those who support the People's Republic of China.







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THE HONG KONG RESEARCH PROJECT . . . . .

This pamphlet is the joint effort of a group working at the Hong Kong Research Project. Some of us were earlier associated with the Hong Kong Group of the Association for Radical East Asian Studies (AREAS). The aim of the Project is to act as a research and resources centre for the production and dissemination of independent and critical studies on Hong Kong. We are particularly eager to make contact with anyone who can assist us — whether in study, publicity, action or funds. As of this moment, we are totally without funds, and naturally we cannot go on for long without help. The text makes it clear how vital the work is.

Walter Easey, Secretary, Hong Kong Research Project
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